

Defense Menaced by Vinson-Trammel Act Amendments

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The ANNALIST

A Journal of Finance, Commerce and Economics

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THE BUSINESS OUTLOOK

Business is showing some slight slackening, at least in comparison with the recent expansion. Prospects for foreign business are dampened by apprehension over the outcome of the pending attack on England. The outlook for domestic business has become increasingly dependent on how rapidly the defense program will reach its peak. The proposed steeply graduated excess profits tax, and its possible effects, are another element of great uncertainty.

INDICATIONS of some slackening in activity, noted in these columns a week ago, are tentatively confirmed by the action of the weekly business index. Freight car loadings, on the basis of preliminary estimates, did not come fully up to the usual seasonal increase in the week ended June 29. Automobile production declined by slightly more than the usual seasonal amount, and our index of electric power production decreased. The further rise in our index of steel ingot production was not large enough to offset these declines, so that the combined business index may show a slight decrease, the first since April 20. The following table gives the probable readings of the Federal Reserve Board index of industrial production on the basis of its usual correlation with THE NEW YORK TIMES Weekly Business Index:

May 25.....	108	June 15.....	118
June 1.....	108	June 22.....	118
June 8.....	113	June 29.....	118

The Iron Age says that June steel bookings were generally the best for that month since 1929. One can well believe that, judging by the figures on June pig iron production which, on a seasonally adjusted basis, was at a level exceeded only in a comparatively few months in the history of the steel industry. The increase in steel buying, moreover, will undoubtedly have an important influence on the June new-orders index for all manufacturing industries, which already in May, as shown by one of the accompanying charts, had increased sufficiently to bring about an upturn in our trimestrial average.

The recent expansion has been brought about partly by foreign business and partly by anticipation of increased domestic business, with some inventory accumulation, as also shown by the chart. An element of uncertainty has crept into the

outlook for foreign business, partly because of the collapse of France and partly because of apprehension over the outcome of the impending Battle of England, so that the prospects of further immediate expansion have become increasingly dependent on the development of the American defense program. The assumption in some quarters that the defense program would mean an immediate increase in industrial production has indeed apparently been responsible for predictions that general business activity would expand further this Summer, followed, for reasons largely unexplained except for expectations of peace, by a decline in the latter part of the year.

The Iron Age, however, says that the full force of the national defense program on the steel industry is not expected in less than ninety days. Total national defense expenditures, as shown by one of the accompanying charts, were lower in June, though they were not far below the April peak. Consequently the immediate probabilities seem to indicate some kind of a recession, which may have already begun, followed by expansion in the Fall, although both the immediate and the longer-range outlook is highly uncertain because of Europe and because of the unknown influence of pending domestic measures, especially the proposed steeply graduated excess profits tax. If this is correct, consideration must also be given to two adverse factors which might operate in the direction of minimizing expansion even in the Fall.

First, the influence of the defense program, great as it may eventually become, can easily be overestimated. The Iron Age says that unofficial estimates of the amount of steel that will be required for defense range from 12,000,000 to 15,000,000

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July 1, 1929—June 6, 1939

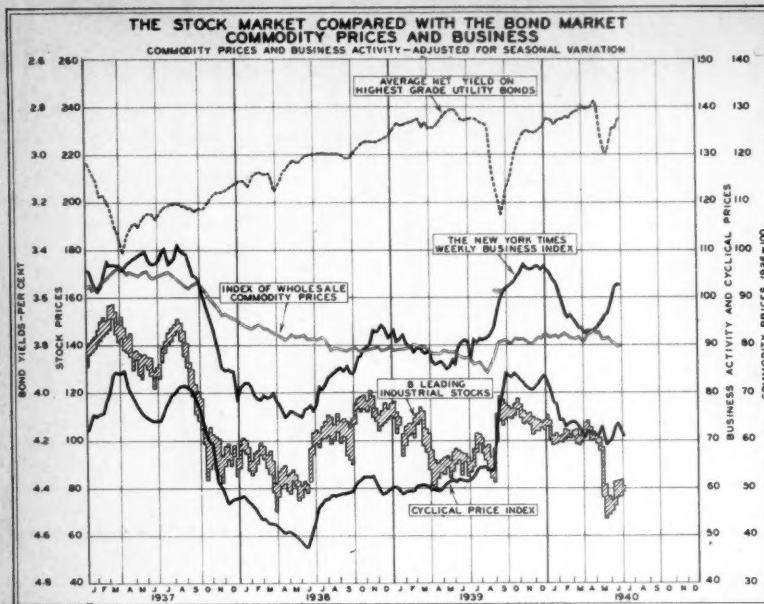
A few copies of the chart of The Annalist 90-stock average, showing the daily high and low with daily volume of sales on the New York Stock Exchange for the same period, are still available.

The chart is in three sections, each 54"x20", accurately matched for use as one chart.

With each chart we supply the figures, by days, from June 6, 1939, to date, and a sheet of chart paper for carrying the chart through 1940.

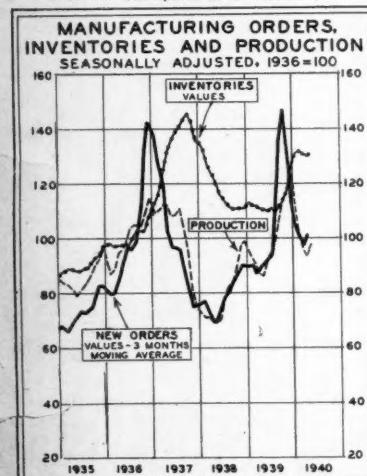
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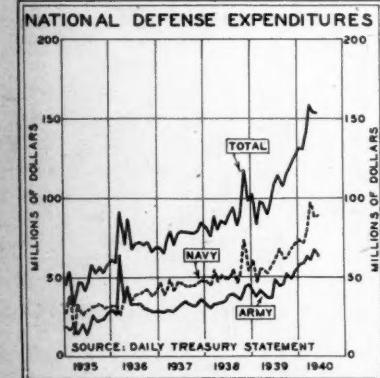


Week ended	Freight Car Loadings	Steel Mill Activity	Electric Power Prod.	Auto Prod.	Lumber Prod.	Cotton Mill Index	Business Activity Index	Cyclical Price Index
1939								
June 24	74.0	89.7	78.7	83.6	98.1	90.2	75.9	124.0
July 1	72.8	90.6	78.1	83.3	97.5	77.8	74.8	132.1
July 8	68.4	86.1	73.6	75.7	95.4	79.2	68.0	120.0
1940								
June 16	82.8	99.0	87.6	128.1	104.7	100.1	79.5	136.6
June 22	84.1	100.7	89.0	132.8	103.8	96.3	80.2	137.9
June 29	87.7	103.2	94.4	135.2	103.2	94.4	80.2	144.2
July 6	135.2	135.2	135.2	135.2	135.2	135.2	135.2	135.2

Estimated. \$Computed as of Wednesday.



Sources: National Industrial Conference Board and Federal Reserve Bulletin. For extension of this chart back to 1929, see THE ANNALIST of Jan. 25, p. 102.



Source: Daily Treasury Statement.

tions, probably spread over two years or more. Taking the lower of each set of figures, 12,000,000 tons over two years is only 500,000 tons per month, or about 15 per cent of the total production for sale of finished steel products in May, namely 3,287,207 tons. Not a large increment for the steel industry.

Second, steeply graduated excess profits taxes will probably have the same effect on some corporations as the lowering of the allowable rate of return is already having on the aircraft industry. The aircraft stocks are making new lows almost daily. This means that new financing is going to be difficult if not impossible.

The desirability of the creation of this proposed emergency agency will be dependent upon the nature and magnitude of current or anticipated price fluctuations which might tend to throw our economic structure out of equilibrium. Control of prices should be limited largely to reliance upon the voluntary cooperative pressure which an enlightened public opinion will bring to bear upon interests which fail to cooperate.

Although some provision may well be made to prevent profiteering, the primary attention of such an authority should be given to the study of the causes, rather than the effects, of price fluctuations. The

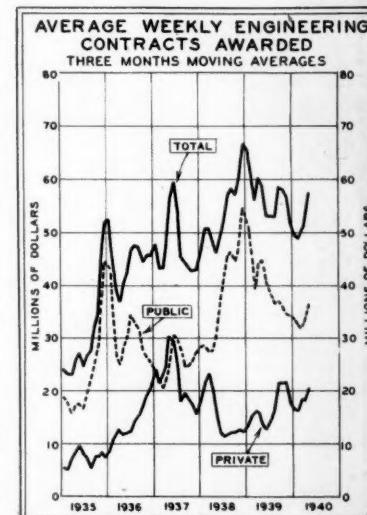
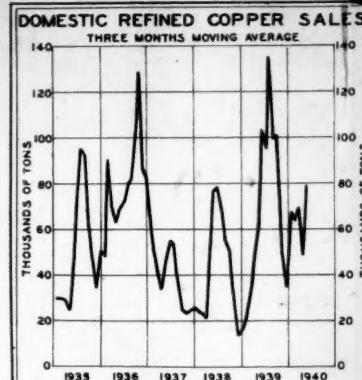
adoption of appropriate preventive measures to be applied at the source appears to be a sounder approach to the problem of preserving economic stability than reliance upon remedies after the disorders have appeared.

This section appears to be broad enough to cover any contingency, while at the same time it appears on the surface to be mild and entirely reasonable. The adoption of appropriate preventive measures to be applied at the source, however, innocuous as it might seem, might strike at the heart of our system of private enterprise. Is not, for example, a steeply graduated excess profits tax, as recommended to Congress by President Roosevelt on Monday, a highly effective, and, from the standpoint of the present Administration, a highly appropriate measure to be applied at the source of commodity price increases?

During the World War large profits for some companies engaged on government contracts arose largely through inventory profits, i. e., increases in commodity prices. By slapping on steeply graduated excess profits taxes at the beginning of the present defense program increases in commodity prices can undoubtedly be discouraged before they begin.

There is hardly any doubt, at any rate, that there is some connection between the action of important raw material prices within recent days and the proposed excess profits taxes. Speculative sentiment is at a low ebb. In hides, for example, which is one of the outstanding commodities in which spot quotations are reliable because they are based on actual transactions, the actual state of business is apparently better than indicated by futures quotations, because futures are unusually low relative to spot prices.

We read almost daily of government purchases of this and that commodity. Yet in spite of this concentrated buying, and despite the improvement in the longer



Source: Engineering News-Record.

range outlook that has occurred as the result of the action of the Republican National Convention, commodity prices drift downward.

D. W. ELLSWORTH.

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The ANNALIST

July 4
1940

CONTENTS

The Business Outlook, by D. W. Ellsworth	1
Freight Traffic Expanding; Equipment Repair Program Remarkably Successful, by D. W. Ellsworth	3
Official Export Data Show Lag in Allied Procurement, by Winthrop W. Case	4
National Government: Defense Menaced by Amendments to Vinson-Trammel Act, by Kendall K. Hoyt and C. W. Page	5
Weekly Business Index Technical Data for Third Quarter	5
The Canadian Dollar Under Control: An Outline of Regulations as of June 27, by Ernest C. Stiefel	6
Abstracts of Recent Important Articles, by Helen Slade	6
The Dow Theory Successful in Only Two Out of Eight Bull Markets Since 1910, by Herbert G. Lytle	7
Recent Books on Finance and Economics	7
Financial Markets: More Railroad Equipment Buying; Rails Back on Legal List	8
The Week in Commodities: Most Futures Markets Off; Livestock and Meats Up, by Winthrop W. Case	9
Sharp Advance in Canadian Business Suggests Speedier Rearmament Than Realized, by S. L. Miller	11

Financial News of the Week	13
Dividends Declared	14
Bond Redemptions and Defaults	14
Business Statistics	16
Stock and Bond Averages	18
Banking Statistics	19
Stocks—New York Stock Exchange	20
U. S. Government Securities	25
Bonds—New York Stock Exchange	26
New York Curb Exchange	28
Out-of-Town Markets	30
The Open Market	32

For actual markets in unlisted securities, with names of dealers, giving bid and asked prices, see Open Market Section, Page 32

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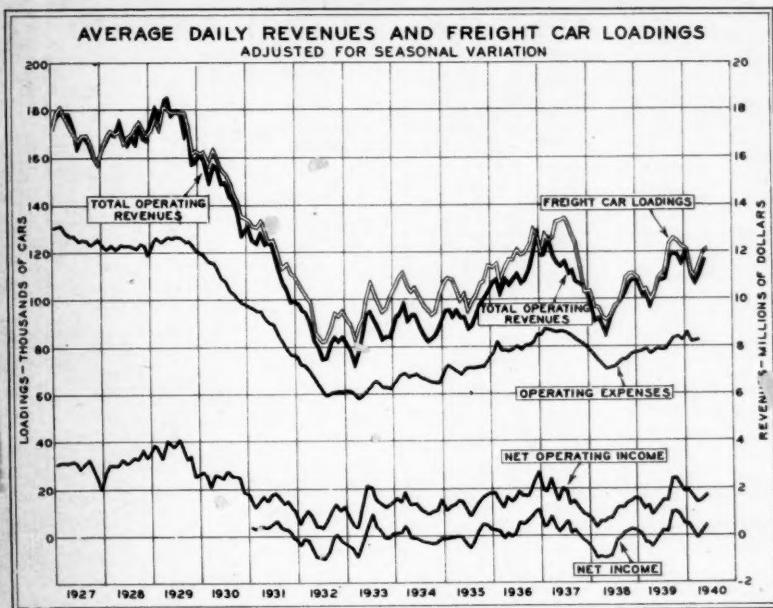
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Freight Traffic Expanding; Equipment Repair Program Remarkably Successful



Latest points: Car loadings, estimate for June; total operating revenues and net operating income, May; net income, estimate for May; operating expenses, April.

By D. W. ELLSWORTH

In March the net income of Class I roads, seasonally adjusted, slid below the zero line, owing to the diminution of traffic volume in the first quarter. March, however, proved to be the low point. In the second quarter there was a fairly substantial recovery in freight traffic, so that on a seasonally adjusted basis the railroads as a whole are now in all probability again operating on a moderately profitable basis. The fact that the present business recovery consists largely of improvement in the heavy industries is advantageous from the standpoint of railroad traffic volume.

All branches of car loadings, seasonally adjusted, showed generally upward movements throughout the quarter, except grain and grain products. Even the grainers, however, were able to find consolation in the circumstance that owing to more favorable weather the winter wheat crop turned out considerably larger than seemed probable several months ago. There was a striking gain in May in ore traffic; in two weeks of that month ore loadings were more than double those of the corresponding week last year. In June there was a moderate decline in ore loadings from the high May level, on a seasonally adjusted basis. The most striking increase in June, on the basis of our preliminary estimates, was in loadings of coke, which appear to have reached the highest volume since 1929. With respect to less-than-carload merchandise, which has

been troublesome from the standpoint of motor-truck competition, there is some basis for optimism of a negative variety in the circumstance that the railroads now seem to be holding their own. It has at any rate now been exactly two years since the last new low record in l. c. l. merchandise loadings was recorded.

Comparative statistics on railroad as against motor truck loadings also indicate that the railroads are now in a somewhat less adverse position. In May, for the first time since March, 1938, the year-to-year percentage increase in freight-car loadings was greater than the corresponding figure for motor-truck loadings.

FREIGHT CAR VS. MOTOR TRUCK LOADINGS (Percentage changes from corresponding months of previous year)

	Railroad Loadings	Truck Loadings
December	9.0	13.1
January	15.6	21.3
February	12.0	17.5
March	0.2	5.9
April	16.6	16.7
May	15.1	12.0

For extension of this table back to January, 1938, see THE ANNALIST of Jan. 25, 1940, page 120.

During the boom last Fall the railroads came closer to a serious freight-car shortage than at any other time in many years. To meet this danger the railroads carried through one of the most remarkable, perhaps the most remarkable, program of rehabilitation and repair in the history of the transportation industry. In two months from Sept. 1 the number of cars awaiting repair was reduced from 225,000 to 168,000; in three months to 159,000; in four months to 154,000. Subsequently, moreover, when the boom collapsed almost as quickly as it began, the railroads kept the equipment in repair, instead of letting the number of bad-order cars increase, although there was a slight increase in April and May, so that on June 1, 1940, the percentage of freight cars awaiting repairs was not far above the lowest figure in several years.

The decline in the percentage of cars awaiting repairs does not fully reflect the railroads' preparedness program, because, as we know, the railroads ordered large quantities of new equipment, not only during the traffic boom of last Fall, but also

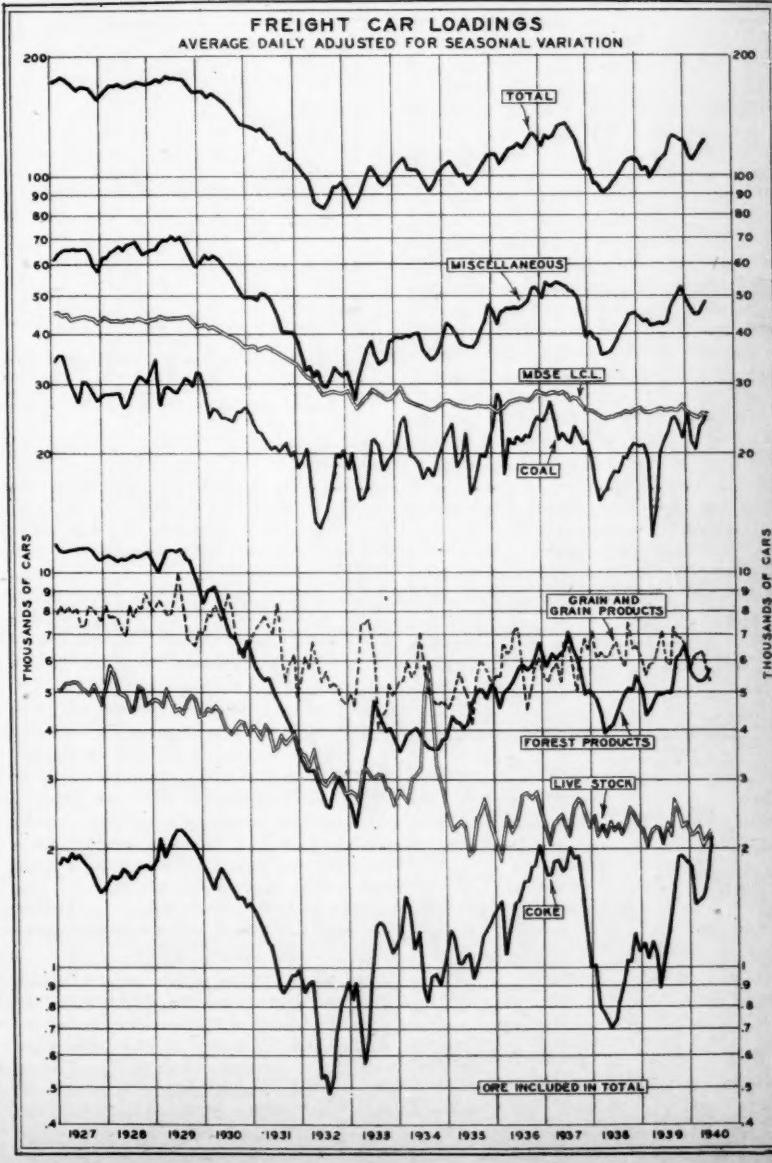
within recent weeks. Although the number of surplus cars today is normal in relation to traffic volume, the new equipment will probably be needed. The availability of this new equipment, furthermore, will not signify fully in quantitative terms, such as the number of cars in service, the extent to which the roads are improving their facilities, because the new equipment is superior to the old, some of which, presumably, it is displacing. At the end of April unfilled orders for locomotives were the highest in several years. This improvement program constitutes an effective answer to the arguments being advanced by the public-ownership crowd on the need for "taking over" the railroads as a defense measure.

use of fuel in freight service, in average load per train and in gross ton-miles per freight-train-hour.

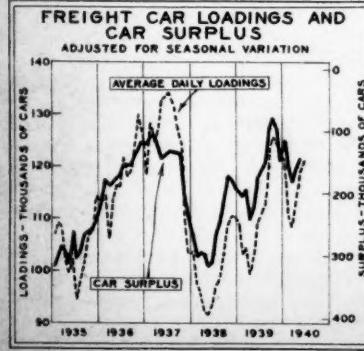
Jerome N. Frank recently made an hour-and-a-half-long speech at the New School for Social Research on the railroad situation. He seemed to think he was showing conclusively that the trouble with the railroads, or almost all of it, has been that their bonded indebtedness has been too heavy, so that the railroad managers have been unable to give a proper amount of time to operating problems. A virtually complete answer to Mr. Frank's long speech appeared in a short paragraph in the evening newspapers the following day. The paragraph said that the New Jersey Public Utility Commission had denied the application of a railroad to discontinue a train that was no longer profitable. How long would a shoe manufacturer stay solvent after the government had compelled him to keep on manufacturing a style of shoe that nobody would wear? How long would a biscuit manufacturer stay out of the hands of the Sheriff after the government had compelled him to keep on producing crackers that nobody would eat?

There have been rumors that the railroads have been losing passenger traffic this year. If, however, there is anything in these rumors there must have been an abrupt change since the end of the first quarter, when, according to statistics compiled by the Interstate Commerce Com-

Continued on Page 31



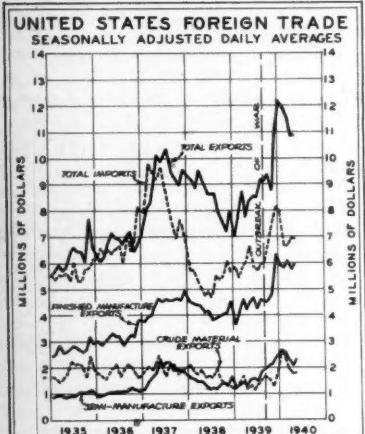
Latest points: Estimates for June.



Latest points: Car loadings, estimate for June; car surplus, May.

Official Export Data Show Lag in Allied Procurement

**Only 488 Planes Sent
To Allies in First
Four Months**

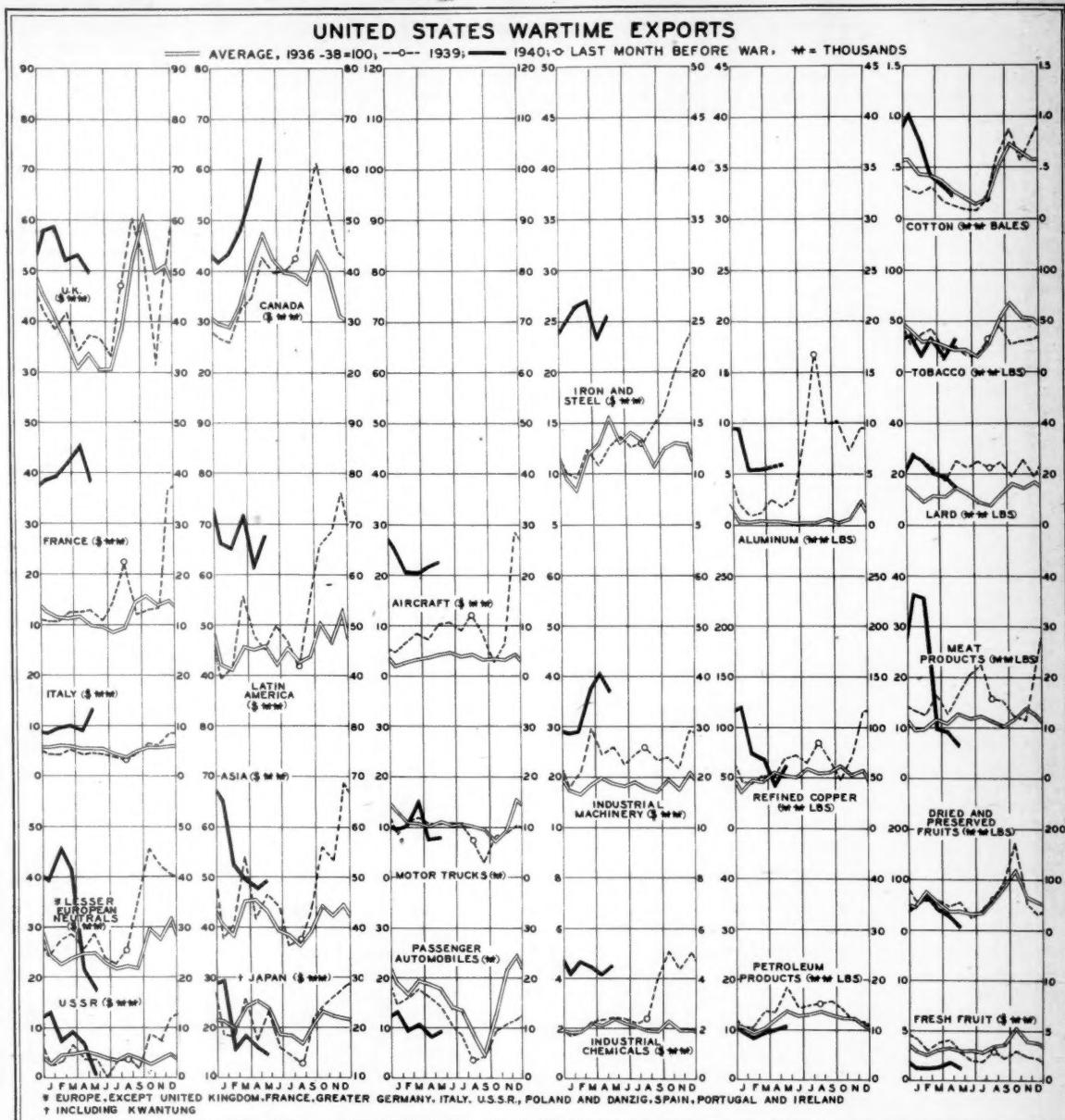


By WINTHROP W. CASE

MAY exports from the United States showed a small increase over the month previous. Since there is normally a slightly greater expansion in that month, exports on a seasonally adjusted basis recorded an unimportant loss. The month's trend for imports was equally unimportant. Foodstuff exports fell off sharply, as a further curtailment took place in shipments to Europe, crude material sales were at a virtually unchanged rate, while exports of finished and semi-finished manufactures increased moderately.

The outstanding features of the month in the export trade were (as indicated by the chart of "United States Wartime Exports"), the decrease in shipments to England and France, the sharp rise in exports to Italy, the further shrinkage in our trade with the so-called lesser European neutrals, and the maintenance or increase of exports to non-European areas.

Exports to the United Kingdom decreased about \$3,700,000 to approximately \$49,600,000 in May, and those to France by about \$7,900,000 to around \$38,100,000. Most of the drop to Britain and perhaps one-third of the decrease to France reflected curtailed sales of cotton to those countries, and there was a further decline in sales of American foodstuffs to Britain. Behind the curtailment of these non-war supplies, nevertheless, looms the fact that sales of arms in general also failed to increase, despite what in retrospect is seen as the desperate need of the Allies. Although the value of our total aircraft



exports in May was greater than in April, shipments to both France and Great Britain actually declined in dollar value despite the fact that total aircraft shipments to these two countries in April had amounted to only 191 units, or 195 if shipments to Canada are also included. As discussed in a previous issue¹, this lag in the vital aircraft trade seems to have been due primarily to the dilatory policies of the Allied purchasing bodies, inasmuch as American producers were in general prepared to make deliveries at a far more rapid pace.

That shipments of aircraft to Britain and France for the first four months of this year—when the war had actually been already under way for four months and had obviously been impending for a much longer period—should have totaled, but 488 planes (or an average of only 1,144 a year) is a commentary on the sort of policy that has brought these countries to their present pass.

As to the much higher export figures reported in the press and discussed in the issue of *The Annalist* above referred to, further statistics of a similar tenor have recently been given out by the Anglo-French Purchasing Board. According to these, some 3,886 airplanes have been delivered to Britain and France during the past eighteen months (presumably

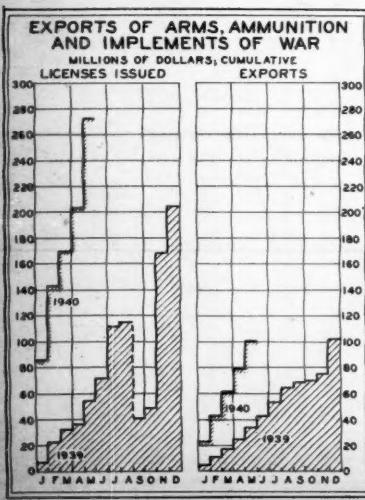
through June). The detailed export figures of the Department of Commerce for the seventeen months ended with last May show only 1,598 actually exported to France, Britain and Canada. These figures, it should be noted, do not include aircraft shipped without engines in 1939, but there is little evidence that, were figures for the latter available, the total would be increased by more than 200 or 300 units. Shipments in June may have gone forward at an accelerated rate, but even assuming that 500 were shipped in that month, there is still a great gap between the government's official export figures and those claimed by other organizations. In view of the known facts in the situation, there seems little reason to discredit the Department of Commerce export statistics in favor of those higher ones claimed by interested bodies.

A somewhat similar, though less clean-cut, picture is shown by the Department of State data on exports and export licenses for their "arms, ammunition and implements of war" classification. It is true that, as shown on the chart, exports in this category for 1940 through May only fell short by a small margin of exceeding the total for 1939, and that this was also true for Britain and France alone. But that these two countries should have thought it necessary to purchase from us only \$67,000,000 of war supplies of this sort in the first five months of 1940, at a

time when Germany was not sparing the most drastic efforts to strengthen herself for the struggle, is a measure of the complacent attitude toward the war long too prevalent in some Allied quarters.

Little comment is needed on the May expansion of exports to Italy. The increase was chiefly in copper shipments, although other commodities—especially steel scrap and chemicals—also gained. The larger purchases were obviously in anticipation of Italy's entry into the war in early June. The June figures will presumably show a falling off, and later months a very sharp decrease as a result of the imposition of the British blockade against Italy.

The further decrease in exports to the lesser European neutrals calls for some comment. These neutrals include all Europe except the five major powers and Poland and Danzig, Ireland, Spain and Portugal—that is, all of Europe, except the major powers, that, until the surrender of France, had been in the blockade area. The decrease of 60 per cent since February in shipments to these countries reflects, of course, the overrunning of some by Germany and the more stringent application of the British blockade to the rest. Further losses appear certain, losses which, moreover, may well prove permanent if the war ends with Germany hold-



¹ May 30, 1940, page 748.

Continued on Page 31

National Government: Defense Menaced by Amendments

WASHINGTON.

In the nomination of Wendell L. Willkie and in the previous appointment of two Republicans to the Cabinet, the old party lines have been swept away. A tremendous wave of realization that America must unite in the face of world chaos has brought this about.

IN WASHINGTON a situation is developing which may well prove the first major setback to business and industry in effectuating the national defense program. overshadowed in the news by the Republican convention and the French capitulation, the facts are alarming. While the circumstances pertain in this instance to ship and aircraft construction, they indicate a significant trend in Federal attitude as to the entire production end of national defense.

Although such outstanding business men as William S. Knudsen and Edward R. Stettinius have left their private occupations to direct the national defense advisory activities, and the War and Navy Departments have developed sound procurement programs, Congress was led by a few members into enacting legislation during the hurried closing hours of the Saturday session before adjournment which may likely seriously handicap and possibly prohibit defense production. Neither the Advisory Commission nor the industries affected nor the War Department was allowed a voice in the bill amending the Vinson-Trammel law by reducing profits to 7 per cent on negotiated contracts and 8 per cent on contracts awarded under competitive bidding. In the latter case, an 8.7 per cent limit on the basis of cost of performance is also imposed.

This action was taken despite the fact that, in a recent session, a limitation of 10 per cent for shipbuilding and 12 per cent for aircraft was established after exhaustive hearings and careful study.

Although 8 per cent may appear on the surface a reasonable profit, industry must pay Federal and State taxes from this fund. If losses are had on one contract, it is feared the 8 per cent allowed on another may not balance off. In these and similar ways the margin of profit may become so reduced as to influence business concerns against bidding on contracts at all.

Consider shipbuilding, where large capital outlays are necessary over a long-term period. An 8 per cent profit on a four-year job means a 2 per cent per annum yield on this investment, without considering other reductions.

Furthermore, business is alarmed over the Treasury decisions and regulations which will govern administration by the Treasury of the profit-limitation law. These regulations, outlining the items of cost of performance which may and those which may not be charged against profits, at this writing have been completely drafted by the department, without consulting the Advisory Commission or the service departments. Nor was industry given an opportunity to voice an attitude on the matter, at a time when the Administration is sounding the trumpet for cooperation and mutual adjustment of mutual problems. As this is written, the industries affected are seeking to be heard by officials.

AMORTIZATION on contracts also may be a trouble point. Knudsen and Morganthau are reported to be at odds as to methods and periods, with the former in a position more acceptable to business. Knudsen and others concerned are working fast to complete plans within about two weeks, since the question of amortiza-

To Vinson-Trammel Act

By KENDALL K. HOYT and C. W. PAGE

tion will affect many government contracts now pending, under the new RFC and other Federal loans to business. Knudsen is said to favor amortizing a large portion over a short period—say, 60 per cent in three years—and the rest on a slower schedule.

The President has appointed a new Coordinator of Purchases, associated with

the Defense Commission. He will not only coordinate but will study and recommend what amendments or new laws are desirable to speed defense procurement.

While all this pertains primarily to aircraft and ships, the same general conditions are likely to apply to tanks, guns and the general field of armament production.

Cumulative Summary of Second and Third Sessions, Seventy-sixth Congress

This continues the cumulative summary of legislation carried in the last two sessions.

New Laws in Past Week

Public Law No. 653 (HR8668)—War Dept Civil Functions appropriation.

654 (HR8908)—Amend Internal Rev Code as to exchange of unused stamps.

655 (HR9117)—Eliminate tax on brandy and wine.

656 (HR10039)—New tax bill.

657 (S4027)—Transfer active list Constructors Corps to line of Navy.

658 (HR8202)—Agriculture appropriation.

659 (S3018)—Permit communicable utilities to render free services to natl defense.

660 (S3237)—Amend Sec 301a Sugar Act 1937.

664 (HR9958)—Auth RFC purchase stock Fed Home Loan Banks & liberalize RFC financing for natl def.

665 (HR9007)—Labor-Fed Security appropriation.

667 (HR10055)—1st Supplemental natl defense appropriation.

668 (HR10104)—2nd Deficiency appropriation.

669 (HR9139)—Amend Bnkrtcy Act.

670 (HR5138)—Alien Registration Act.

Public Resolution No. 87 (SJR8279)—Amend Sec 4 Neutrality Act as to transportatn Red Cross personnel & supplies.

88 (HJR8544)—Relief appropriation bill.

Pending Bills and Resolutions

Following is a list of bills and resolutions on which action was taken during the crowded closing hours of Saturday, June 22, prior to recess, too late for inclusion in last week's summary. These measures have not reached final approval, but many will pass before adjournment.

IN CONFERENCE—HR9877—Auth Secy Interior promulgate charges for Boulder Dam power. To further conference Jun 22.

PASSED BOTH HOUSES—S2047 (HRes524)—Divest prize-fight films of their interst character. Passed H Jun 22.

SJRes260 (HRes523)—Maintenance of essential vessels affected by Neutrality Act. Passed H Jun 22.

HR4828—Operate statute of limitation in certa cases. Passed S Jun 22.

HR6207—Amend Sec 218a Internal Rev Code to exempt petroleum stills from registration. Passed S Jun 22.

HR6328—Amend Sec 34 Tariff Act 1930. H agrees S amendments Jun 22.

HR6443—Naturalize certa aliens whose childhood was spent in US. Passed S Jun 22.

HR6572 (HRes522)—Amend Marine War Risk Insurance. Thru conf Jun 22.

HR6618—Trade-mark registratin. Passed S Jun 22.

HR6884—Encourage tourist travel in US. Passed S Jun 22.

HR7223—Facilitate sale of surplus Fed real property. Passed S Jun 22.

HR7343—Amend laws as to Fed prisoners. Passed S Jun 22.

HR7696—US Grain Standards Act, soybeans. Passed S Jun 22.

HR8285—Limit imports of articles produced under US patents. Passed S Jun 22.

HR8399—Prohibit receipt of money of property from a Fed bnk or a member of Fed Res System. Passed S Jun 22.

HR8450—Extend for 5 years reduced interest rates on Fed Land Bnk & comrn loans. H agrees S amendments Jun 22.

HR8628 (S3464)—Amend Perishable Agri Commodities Act 1930. Passed S Jun 22.

HR9299—Amend Life Insurance Act 1934. Passed S Jun 22.

HR9381—Alteratn certa bridges over naviable waters. Passed over veto by H Jun 19, by S Jun 21.

HR9575—Amend Fed Aid Highway Act 1916. Passed S Jun 22.

HR9822—Expedite Naval ship & aircraft bldg; amend Vinson-Trammel Act. H agrees S amendments Jun 22.

HR9791—D C Unemployment Compensation Act. H agrees S amendments Jun 22.

Week Ended June 29

LAST WEEK both Senate and House were in recess Monday thru Saturday.

SENATE CONFIRMATIONS (June 22)—Rear Admiral Samuel M. Robinson, Chief Bureau of Ships, Navy Department.

NOMINATIONS (Received June 22)—Maurice Francis Donegan, Iowa, U S attorney, southern district, Iowa; Herbert S. Phillips, Florida, U S attorney, southern district, Florida.

NEW SENATE BILLS—S4174 (Wagner) Bnk & Currency—Relating to form accounts in Fed Res Bns.

SJRes284 (Davis) Patents—Provide method of payment amounts due U S citizens from form nationals for use in a certn country of certn American patents.

NEW HOUSE BILLS—HR10142 (Hare) Judic—Amend Employees' Compensation Act 1916 to provide additn compensatn for loss of hands, feet or eyes.

HR10143 (McCormack) Immigratn & Naturalizatn—Amend & enlarge U S laws dealing with deportatn immoral classes.

HR10144 (Maciejewski) Military Aff—Auth reappointment to active list of certn experienced former Army officers.

HR10145 (Rich) Judic—Promote defense & prevent sabotage by requiring detailed identificatn of persons engaged on govt contracts.

HR10146 (Weaver) Ways & Means—Import quotas on articles bound on the free-list in form trade agreements.

HR10147 (Voorhis, Cal) Judic—Require registratn of certn organizatns active within U S.

HCR882 (Harrington) Fornt Aff—Relating to free exchange of commodities within Western Hemisphere.

Weekly Business Index

Technical Data, Third Quarter, 1940

TABLE I. WORKING DAYS

Week Ended:	Freight Car Loadings.	Elec. Pow. Prod.	Auto Prod.	Lumber Prod.	Cotton Mill.
July 6	5	5.9	4	4.4	3.9
July 13	6	6.4	5	5.6	5
July 20	6	6.4	5	6	5
July 27	6	6.4	5	6	5
Aug. 3	6	6.4	5	6	5
Aug. 10	6	6.4	5	6	5
Aug. 17	6	6.4	5	6	5
Aug. 24	6	6.4	5	6	5
Aug. 31	6	6.4	5	6	5
Sept. 7	5.3	6.1	4	5.2	5
Sept. 14	6	6.5	5	6	5
Sept. 21	6	6.4	5	6	5
Sept. 28	6	6.4	5	6	5

TABLE II. SEASONAL INDICES

Week Ended:	Steel Carloadings.	Ingot Pow. Auto Lum.	Cotton Mill.
Ended:	Total Misc.	Prod. Prod. ber. Acv.	
July 6	104.3	93.2	111.0
July 13	101.9	95.2	113.6
July 20	101.7	97.0	111.4
July 27	102.3	99.8	108.6
Aug. 3	102.8	100.4	95.1
Aug. 10	103.2	102.0	96.6
Aug. 17	104.1	103.4	99.3
Aug. 24	105.0	93.2	112.7
Aug. 31	107.6	91.8	98.3
Sept. 7	109.4	92.4	99.5
Sept. 14	111.0	112.1	115.7
Sept. 21	112.6	113.4	100.2
Sept. 28	114.1	114.1	109.2

Week Ended:	Elec. Prod.	Week Ended:	Elec. Prod.
July 6	322.3	Aug. 24	323.6
July 13	322.5	Aug. 31	323.8
July 20	322.7	Sept. 7	324.0
July 27	322.9	Sept. 14	324.2
Aug. 3	323.1	Sept. 21	324.4
Aug. 10	323.3	Sept. 28	324.6
Aug. 17	323.4		

Miscellaneous carloadings, 57,800 cars; all other carloadings, 72,000 cars. Steel ingot production, 69 per cent; automobile output, 16,858; lumber production, 48,018,000 feet. [†]Millions of kw-hrs.

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SECURITIES RESEARCH CORPORATION, 100 Milk St., Boston, Mass.

The Canadian Dollar Under Control: An Outline of Regulations as of June 27

A. CANADIAN DOLLAR TRANSACTIONS

I. UNRESTRICTED

1. Transfer from non-residents to non-residents (021A[4]).
2. Transfer from non-residents to residents (except payments for exports) (021A [4]).
3. Transfer from residents to non-residents not exceeding Canadian \$100 monthly (except payments for purchases of securities) (14b).
4. Transfer from residents to Newfoundland residents (3, 17, 18).
5. Transfers via authorized intercompany accounts (10).
6. Withdrawals from Canadian dollar deposit accounts of non-residents with banks (6).
7. Withdrawals from accounts of non-residents with insurance companies (6a).
8. Withdrawals from accounts of non-residents with savings banks (6a).
9. Withdrawals from accounts of non-residents with trust companies (6a).
10. Withdrawals from accounts of non-residents with similar depositaries (6a).
11. Imports of Canadian dollars (23e).
12. Payment for pre-war imports (022).
13. Acceptance of payment for pre-war exports (019).
14. Acceptance of payments for exports to Newfoundland (3, 17, 18).
15. Export by mail not exceeding the equivalent of U. S. \$100 monthly (23b).
16. Export by resident travelers not exceeding the equivalent of U. S. \$100 monthly (4, 13).
17. Exports by non-resident travelers of any amount which they have brought into Canada (4).

II. AUTHORIZATION REQUIRED BY

A. Authorized Dealer

1. Transfers from residents to non-residents within the limits given to dealers for selling foreign exchange (031, 14d).
2. Conversion of Canadian dollar accounts of non-residents with banks and similar depositaries into foreign exchange accounts up to the equivalent of Canadian \$5,000 (6) (repealed as of May 28, 1940).
3. Transfer from residents to non-residents pursuant to the administration of estates, trusts or real property owned by non-residents (14c).

B. Foreign Exchange Control Board

1. All other transfer and payments from residents to non-residents (016, 14).
2. All transfers from and to non-residents in connection with purchase of securities (14b).
3. Payments for imports (022).
4. Acceptance of payments for exports (019).
5. Export of capital exceeding the equivalent of U. S. \$100 monthly by residents or non-residents (021A).
6. Export and transfer of interest payments due by resident companies to non-resident parent companies (27).
7. Application by resident companies for payment of dividends to non-residents (25).
8. Application by resident companies for payment of profits to non-residents (26).

III. PROHIBITED (as a rule)

1. Payments in sterling for exports outside the British Empire.
2. Payments in French francs for exports outside the French Empire (29).
3. Exports in excess of Canadian \$100 for which no payment is to be received.
4. Exports in excess of Canadian \$100 at a price less than the fair value.
5. Failure to take steps to collect a debt owing by a non-resident with respect to exports.
6. Imports into Canada at a price in foreign exchange greater than the fair value.
7. Payments to non-residents for imports in foreign exchange greater than their fair value.

B. FOREIGN EXCHANGE TRANSACTIONS

I. UNRESTRICTED

1. Possession of foreign exchange by United States citizens residing in Canada.

By ERNEST C. STIEFEL

2. Possession of foreign exchange by non-residents (Acq.).
3. Possession of foreign exchange by residents not exceeding Canadian \$1,000 (11).
4. Possession of foreign exchange acquired by resident hotel keepers, etc., from tourists (Acq., 11).
5. Possession of foreign exchange by residents as trustees or agents for non-residents (Acq.).
6. Possession of foreign exchange held by residents and required for disbursement or investment pursuant to sinking fund provisions, of foreign securities issued by Canadian Government, etc. (Acq.).
7. Possession of foreign exchange held by Canadian life insurance companies.
8. Possession of foreign exchange held by insurance companies other than life (Acq.).
9. Possession of foreign exchange by residents under foreign exchange permits.
10. Import of foreign exchange (23e).
11. Export by resident travelers not exceeding the equivalent of U. S. \$100 monthly (4, 13).
12. Export by non-resident travelers of any amounts brought into Canada (4).
13. Export of insurance money paid under policies with non-residents (15).
14. Transfers, deposits and withdrawals from accounts held by non-residents with authorized dealers (6b).
15. Transfers, deposits and withdrawals from accounts held by residents with authorized dealers under permit of the board.
16. Exports by mail not exceeding the equivalent of U. S. \$100 monthly (23b).

II. AUTHORIZATION REQUIRED BY

A. Authorized Dealer

1. Sale of foreign exchange to residents not exceeding the equivalent of U. S. \$100 monthly (11a).
2. Sales to resident travelers for such amounts needed to meet expenses (13b).
3. Transactions of residents via authorized disbursement accounts (8a).
4. Transactions of residents via authorized accumulation accounts (8b).
5. Transactions via authorized resident stockbrokers' and investment dealers' accounts (8c).
6. Transactions via authorized trustees', agents' and executors' accounts on behalf of non-residents (8d).
7. Transactions via authorized resident accounts for payments of expenses on real property abroad (8e).
8. Transactions via authorized accounts of resident commercial companies (9).
9. Transfers from residents to non-residents in accordance with established trade practices.
10. Transactions via bank accounts of non-residents (6).
11. Offsetting transactions for non-residents (5).
12. Sale of foreign exchange to non-residents not exceeding the equivalent of Canadian \$5,000, in conversion of Canadian dollar accounts (6) (repealed as of May 28, 1940).
13. Conversion and export by non-residents of interests in government securities (24).
14. Conversion and export by non-residents of dividends (25).
15. Conversion and export by non-residents of profits (26a).

B. Foreign Exchange Control Board

1. All other transactions in foreign exchange (013).
2. Export of foreign exchange exceeding the equivalent of U. S. \$100 monthly (019).
3. Establishment by residents of:
 - a. Disbursement accounts (8a).
 - b. Accumulation accounts (8b).
 - c. Stockbroker accounts (8c).
 - d. Trustee and agent accounts for non-residents (8d).
 - e. Foreign property accounts (8e).
 - f. Commercial company accounts (9).
4. Conversion into foreign exchange of Canadian dollars via intercompany accounts of commercial companies (10).
5. Authorization to convert into foreign exchange dividends owned by non-residents (25).
6. Authorization to convert into foreign

- exchange profits owned by non-residents (26).
7. Interest payments from resident companies to non-resident parent companies (27).

III. PROHIBITED (as a rule)

1. Possession of foreign exchange by United States firms residing in Canada.
2. Possession of foreign exchange by residents (Acq.).
3. Any dealings except through authorized dealers (11).
4. Financing empire trade in foreign exchange.
5. Sale of foreign exchange for purchase of securities.
6. Exports in excess of Canadian \$100 for which no payment is to be received.
7. Exports in excess of Canadian \$100 at a price less than the fair value.
8. Failure to take steps to collect a debt owed by a non-resident with respect to exports.
9. Imports into Canada at a price in foreign exchange greater than the fair value.
10. Payments to non-residents for imports in foreign exchange greater than their fair value.

C. SECURITY TRANSACTIONS

I. UNRESTRICTED

A. Canadian Securities

1. Transfers from non-residents to residents (021a[4]).
2. Transfers from residents to non-residents (021a[4]).
3. Transfers from residents to non-residents for payment out of Canadian funds within Canada.
4. Exports by mail not exceeding the equivalent of U. S. \$100 monthly (23b).

B. Foreign Securities

1. Possession by residents and located in Canada, United States or the United Kingdom (Acq.).
2. Possession of foreign securities owned by non-residents.
3. Possession by residents of pre-war owned foreign securities not exceeding Canadian \$1,000, whether held in Canada or elsewhere (7).
4. Possession by residents of post-war acquired securities.
5. Possession by resident banks and insurance companies (Acq.).
6. Possession by resident trustees and agents holding for non-resident owners (Acq.).
7. Transfer from residents to residents in Canada (017).
8. Transfer between residents from and to Newfoundland (3).
9. Transfer from non-residents to residents (021a[4]).
10. Transfer from non-residents to non-residents (021a[4]).
11. Transfer from residents to non-residents in consideration of foreign exchange (017).
12. Export by mail not exceeding the equivalent of U. S. \$100 monthly (23e).
13. Export by authorized dealers for the purpose of transfer to a foreign register and return to Canada.

II. AUTHORIZATION REQUIRED BY

A. Authorized Dealer

1. Transfer of securities located in Canada to a register abroad (22).
2. Export of securities if full payment in foreign exchange is to be received.

B. Foreign Exchange Control Board

1. Import of Canadian securities (019).
2. Export of Canadian securities (019).
3. Import of foreign securities (017).
4. Export of foreign securities (017).

Note: The foregoing items 1 to 4 apply even if the securities are owned by non-residents.

5. Payment for the import of securities (019).

6. Transfer from residents to non-residents otherwise than for payment in foreign exchange.

III. PROHIBITED (as a rule)

1. Possession of undeclared pre-war owned foreign securities by residents (017).
2. Transfer of foreign securities from

residents to non-residents against sterling (017).

3. Export of foreign securities by residents.

ABBREVIATIONS

(References to Exchange Regulations and Exchange Orders)

Figures without any additions (for example "17," "21," etc.) refer to the Regulations of the Foreign Exchange Control Board issued May 2, 1940.

Figures preceded by an "0" (for example "017," "021," etc.) refer to the Foreign Exchange Control Order of Sept. 15, 1939.

Acq: refers to the provisions of the Foreign Exchange Acquisition Order of April 30, 1940.

DEFINITIONS

Authorized dealer:

1. Bank of Canada
2. All Canadian branches of chartered banks.

For specific foreign exchange transactions:

1. Postmasters.
2. Montreal City and District Savings Bank.
3. La Caisse d'Economie de Notre Dame, Quebec.
4. Province of Ontario Savings Office.
5. Canadian National Railways Express Department.
6. Canadian Pacific Express Company.
7. American Express Company.
8. Thos. Cook & Son, Ltd.

Board: the Foreign Exchange Control Board established by order.

Canadian currency: includes bank notes, postal notes, money orders, travelers' cheques, letters of credit, bank drafts and other similar instruments payable in Canadian dollars.

Canadian securities: securities issued by any Canadian Government, municipal or other authority, or by any society, company or corporation whose head office is in Canada, excluding any securities which are payable, or any dividends or interest which are expressed, otherwise than exclusively in Canadian dollars.

Current earnings: the net income or profit for the financial year ending June 30, 1939, or on any date subsequent thereto as shown by the company's annual financial statements, reported upon by its auditors, if any, or certified to by a responsible official of the company after certain deductions defined in Article 47 of the Regulations.

Foreign currency: any currency (excluding coin) other than Canadian currency, including bank notes and other notes intended to circulate as money in any country outside Canada and also postal notes, money orders, cheques, travelers' cheques, prepaid letters of credit, bank drafts and other similar instruments payable in any currency other than Canadian currency, and includes any foreign currency on deposit.

Foreign currency on deposit or deposit: any amount in foreign currency of which a resident has a right to obtain payment by reason of a deposit, credit or balance of any kind at or with a bank, savings bank, trust company, loan company, stockbroker, investment dealer or other similar depositary or any other person or institution designated by the board as a depositary.

Non-resident: any person other than a resident; a branch or agency outside Canada of any resident shall be deemed to be a non-resident and a separate entity from such resident.

Resident: any person ordinarily resident in Canada, but excluding any branch or agency, outside Canada, of any resident; the board shall have full power to determine who is or shall be deemed to be a resident.

Securities: includes stock, shares, bonds, debentures, debenture stock and other obligations and rights, whether registered or in bearer form, issued by or on behalf of any government, municipal or other authority, society, company or corporation whether within or without Canada and regardless of the place of registration (if any) of such securities or the situs of any certificates or other instruments representing the same.

Abstracts of Recent Important Articles

By HELEN SLADE

What Can Public Utilities Do About Public Relations Today? By Edward L. Bernays (Public Utilities Fortnightly, June 6, 1940). The present situation is not the result of any one policy or development, but the cumulative effect of a series of happenings. Investigation by the Federal Trade Commission from 1928 to 1934 bared all the vices and bad guesses of the utilities and indicated that the principal trouble was a too great desire to cultivate public relations on a "false ground." Government competition with private utilities has been blamed for existing rates, and what not. "As far as the industry is concerned there is general agreement that more consideration must be given to

Continued on Page 31

The Dow Theory Successful in Only Two Out of Eight Bull Markets Since 1910

NOW that another major Dow Theory market signal has been given it might be interesting to check the accuracy of these last two signals when applied to the general stock market.

The writer has made an exhaustive check, using the following premises and method in his experimental control. The Dow Theory operates on closing prices. In other words, authentic signals are only given by the closing prices of the Dow Jones industrials and rails. The last bull market signal was given at the close on July 17, 1939. That meant that if an individual were to operate on the Dow Theory he would have been justified in buying his stocks on July 18, 1939. On that day there were quoted 666 common stocks on the New York Stock Exchange. These stocks had two extremes on that day (a high and low). Therefore, a theoretical purchase was made at each of these extreme prices. On May 13, 1940, a Dow Theory bear market signal was given. The earliest possible sale date was May 14, 1940. Again, of course, all the stocks had a high and low for that day. Now, these two sets of prices on these two days of purchase and sale were combined as follows: It was assumed that one purchaser was lucky enough to have bought at the lowest price on July 18, 1939, and sold at the highest price on May 14, 1940, and it was assumed that another purchaser was unfortunate enough to have bought at the highest price on July 18, 1939, and sold at the lowest price on May 14, 1940.

In this manner one would get the very best and the very worst possible results out of operating on the Dow Theory. Obviously, an actual performance would have fallen somewhere in between these two extremes. Now let us see how applicable the bull signal was to a broad list of stocks.

66-80% Wrong

The best purchaser—that is, the one who bought at the lowest and sold at the highest—had thirteen stocks which showed no loss and no gain, 218 which showed profits and 435 which showed losses. The worst purchaser—that is, the one who bought at the highest and sold at the lowest—had thirteen stocks which showed no loss and no gain, 130 which showed profits and 523 which showed losses. Percentagewise it means that the very best a purchaser could have done was to be 66 per cent wrong in his selection from a broad list of stocks of all types in all industries. As for the worst purchaser it means that he was compelled to be almost 80 per cent wrong. Thus given the indication that the time was ripe for buying and selling according to the Dow Theory, it means that a rather godlike omniscience was still necessary to pick either one out of three or one out of four stocks which were going to finish with a profit when the Dow Theory bear signal would come along. Obviously, this is nothing to make one riotously jubilant.

Because it might easily have happened that the percentage profit on the stocks which showed profits outweighed the percentage losses on those stocks showing losses the percentage profit and loss on the purchases and sales was calculated. The results were as follows: The best purchaser would have had a net loss of 8.1-3 per cent, while the worst purchaser would have had a loss of 15.6 per cent. The probable actual average loss on these two signals would have been around 12 per cent on the capital involved. Of course, individual stocks showed many varying degrees of loss and gain.

The theoretical disillusionment evoked by the above experiment intrigued the writer to "copper the Dow Theory" to see

By HERBERT G. LYTTLE

what the results might be. Hence the same principles of purchase and sale as outlined above were used in reverse. A Dow bear signal was given on March 31, 1939. Thus on April 1, 1939, every common stock on the New York Stock Exchange was purchased (instead of being sold), and on July 18, 1939 (the Dow bull signal), every one of these purchased was sold (instead of being purchased). Out of 666 stocks thus purchased and sold 49 of them showed no loss or gain, 79 of them showed losses and 540 of them showed profits to the best purchaser! As for the worst purchaser, he had 52 which showed no loss or gain, 117 which showed losses and 499 which showed profits! The best purchaser, when he did the opposite of what the Dow signals said, was 80 per cent correct and the worst purchaser was 75 per cent correct! And the percentage gains on the capital involved was 11.5 per cent and 10.8 per cent, respectively.

The above study only covers one com-

plete set of Dow signals. The writer has similarly studied every Dow bull market as given by its major signals. Details may not be given in this short article, but it might be worth while to summarize briefly the results of the other bull markets with the purpose in mind of not giving too distorted a view from looking at just one completed market. The first four accepted bull markets commencing with June 29, 1897, and ending with May 11, 1910, were from 80 to 90 per cent correct. That is to say that from eight out of ten to nine out of ten common stocks on the New York Stock Exchange showed very satisfactory profits. The next four bull markets, namely, from November, 1910, to June, 1923, can definitely be classified as unsatisfactory, three of them having been well below a 50 per cent accuracy (between 35 and 45 per cent correct) while the best one showed a little better than every one stock out of two being profitable. The bull market ending in

October, 1929, was of course outstandingly correct and profitable. The bull market ending in September, 1937, can be classified as correct by 66 per cent but with the rails making a miserable vehicle for purchase. (The rails during the first four bull markets were superior to the industrials in their adherence to the Dow signals; since 1910 they have been distinctly below.) The market ending in April, 1939, leans more on the incorrect side than the correct while the most recent one has been analyzed above.

There have been 12 bull markets according to the Dow Theory. That theory has worked, when applied to a very broad list of common stocks, in a very satisfactory manner about six and at the most seven times. Four of these times were at its very inception, namely, the first four. Since 1910 there have been but two out of the eight which can be definitely called satisfactory. And the most recent one has operated most successfully in reverse. Does this mean that Dow Theory followers have killed Cock Robin? Certainly its last twenty-seven-year record leaves a great deal to be desired when it is applied to a broad list of common stocks.

Recent Books on Finance and Economics

RECENT AND PROSPECTIVE DEVELOPMENTS IN ACCOUNTING THEORY

By William A. Paton

The need of reform in accounting reports as a means of protection to investors is overemphasized, according to Professor Paton. Every effort should be made, he says, to place corporate reporting on the highest possible level with respect to completeness, accuracy and intelligibility, but nothing is gained by overemphasizing the importance of reform in this field.

"Losses of long-term investors are largely the result of business conditions, and the effect of accounting on such conditions is generally not very great," says Professor Paton. "Losses of speculators," he continues, "are compounded of fluctuating business prospects, real and fancied; the nature of the mechanism employed, and speculative temperament.

"Given a condition of business fluctuation and development, people who wish to speculate and machinery through which speculation is possible, it is hard to see how governmental supervision of accounting reports can be a control factor of major importance."

The study deals with the changing focus or point of view of accounting; increasing emphasis on the measurement of performance; problems arising from the selection of the period to be accounted for; and the question as to whether certain selected assets should be recorded at cost or at some other value.

Professor Paton points out that "the increasing consideration being given to income measurement and reporting is presumably a manifestation of the influence of the business-enterprise, managerial point of view." He suggests, however, that, in the future, interest will spread in accounting for the operations of the branch, division, department or other operating unit, and notes the increasing attention being paid to the stockholder and the growing conception of the corporation as a semi-public institution.

He emphasizes the shift in interest from the balance sheet to the statement of profit and loss. "Costs rather than assets is the significant term in present-day accounting." "A very large section of the so-called assets of business enterprises, especially in the public utility and indus-

trial fields, consists of costs in process rather than available funds or currently recoverable values."

Professor Paton holds that all costs legitimately incurred are homogeneous in their relation to revenue and therefore it is unfair to play favorites with cost. As an example of favoritism, he points out the persistent tendency to "subordinate depreciation in the income statement, to treat depreciation as a doubtful, optional, take it or leave it kind of cost." Further, with respect to cost favoritism, he states: "I can best emphasize my slant on this problem by saying that I have always been suspicious of the old story that the last straw broke the camel's back. I have always suspected that the other straws had some influence on the result."

With respect to the period of reckoning, he elaborates the theme that "modern accounting essays the difficult task of breaking the continuing stream of business operations into time sections. The result at the best is no more than a series of careful estimates."

Regarding the conflict between the use of cost and some other basis of asset valuation, he says: "A careful examination of the whole picture, including sympathetic consideration of the possibilities of appraisals and conversion through the use of index numbers, tends to the conclusion that the accountant has been on the right track in giving his allegiance to the cost basis. At times, no doubt, this allegiance has been little more than a blind adherence to tradition, but it may very well be a deliberate and enlightened point of view. With such a point of view, the accountant will be in a position to exert a substantial influence, in a constructive direction, on proposals calling for basic amendment or reform of accounting concepts and procedure." (Harvard University Graduate School of Business Administration, Soldiers Field, Boston, \$1.)

THIS UNBALANCED WORLD

By Elmer C. Bratt

This is a good example of thorough and painstaking research as the proper approach to the formulation of conclusions regarding economic tendencies and the policies which ought to be followed with respect to them. Professor Bratt has

earned well-deserved recognition in the difficult field of business-cycle analysis, and it is therefore of more than passing interest that he now turns to the writing of a book in which he expresses in a more reflective way his views on current economic problems.

Like some of our economists whose breadth of knowledge is sufficient to embrace the practical as well as the theoretical, Professor Bratt believes that the attainment of what may be called practical stability is the important thing. This, he says, means neither that conditions will hold precisely at balance nor that resources will be completely utilized. Fluctuation about balance is a characteristic feature of the capitalistic system, but there is no reason why the fluctuation should not be kept within tolerable limits. (Harper & Brothers, \$2.50.)

JAPAN'S EMERGENCE AS A MODERN STATE

By E. Herbert Norman

In view of the increasing importance of Japan in our Far Eastern policy, this admirable volume of the Institute of Pacific Relations' Inquiry Series is of especial interest today. It is essentially the record of Japan's transition from a feudal into a modern industrial society following the Meiji Restoration in 1868, and of the background to that restoration. Consideration is also given to the accompanying political evolution. (Institute of Pacific Relations, 129 East Fifty-second Street, New York, \$2.)

AMERICAN POLICY IN THE FAR EAST: 1931-1940

By T. A. Bisson

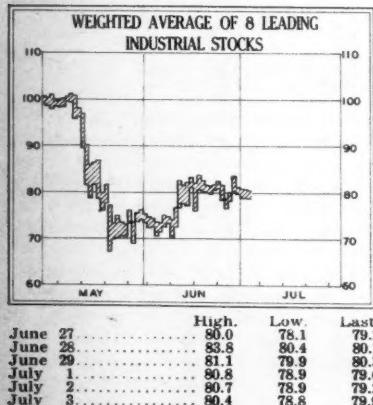
This review of American foreign policy since the Manchurian incident is timely and useful, especially in view of the far-reaching changes in the bases of that policy now under way. The volume is one of a series of studies on the Far East now being carried on by the Institute of Pacific Relations. Relations with Japan of course form the center of that policy, although the Philippines and other aspects are also discussed. The assumption of an Allied victory as foregone, natural enough at the time of writing, unavoidably some-

Continued on Page 31

Financial Markets: More Railroad Equipment Buying; Rails Back on Legal List

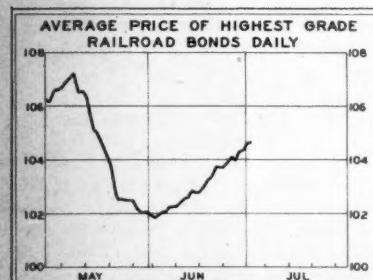
STOCK prices have continued to fluctuate in the general trading range in which the market has been confined since June 14. A lively advance occurred on the day preceding and following the Willkie nomination but most of this gain was lost. Volume of trading has remained very light.

During the Thursday-Friday advance the best gains were made by the steel stocks, General Electric, Union Carbide, du Pont, Montgomery Ward, the utilities, Pennsylvania and Texas Corporation, Continental Can, Corn Products, American Tobacco, the coppers, Allied Chemical and Air Reduction showed less improvement than the rest of the list. On the Friday-Tuesday decline the most substantial losses were in Westinghouse, the container stocks, J. C. Penney and American Smelting and Refining, while Inland Steel, Union Carbide, Montgomery Ward, Sears Roebuck, General Foods, railroad and utility stocks held their ground pretty well. The airplane manufacturing stocks continued under a cloud marketwise during most of the week but during the past two days have given suggestions of getting into a slightly better position.



Although military operations in Western Europe are proceeding at a slower pace than in May, the attention of traders and investors continues to be directed to the European rather than to the domestic situation. The Russian encroachments on Rumanian territory were discussed as possibly producing an awkward situation for Germany and thus increasing the possibility of peace in Western Europe. Emphatic denials from British sources of any intention to enter peace negotiations have not entirely removed the peace factor from Wall Street's calculations, and the effect upon business of a cancellation of British orders for war materials is still being discussed.

The more favorable business news has included reports of additional programs



	July	June	May	Apr.	Mar.
1.	104.62	101.93	106.24	105.48	104.93
2.	104.69	106.19	105.52	104.89	
21.	103.78	102.74	105.48	105.14	
22.	103.71	102.62	105.48		
23.	102.54	105.41			
24.	103.73	102.52	105.82		
25.	103.88	102.52	105.88	105.28	
26.	104.07		105.92	105.25	
27.	103.98	102.50	105.92	105.18	
28.	104.32	102.20	105.14		
29.	104.37	102.06	106.17	105.18	
30.		106.24	105.38		
31.		102.08			

for railroad equipment buying. Among these have been the plans of Pennsylvania Railroad to buy \$10 million of rolling stock and those of Norfolk & Western to spend \$8 million. In connection with railroad equipment purchasing it is interesting to note that for its fiscal year, ended April 30, American Car and Foundry reported a net loss of only about \$11,000 as compared with a loss of about \$1,700,000 in the preceding fiscal year.

Of some interest to railroad investors has been the action of the New York Superintendent of Banks in announcing

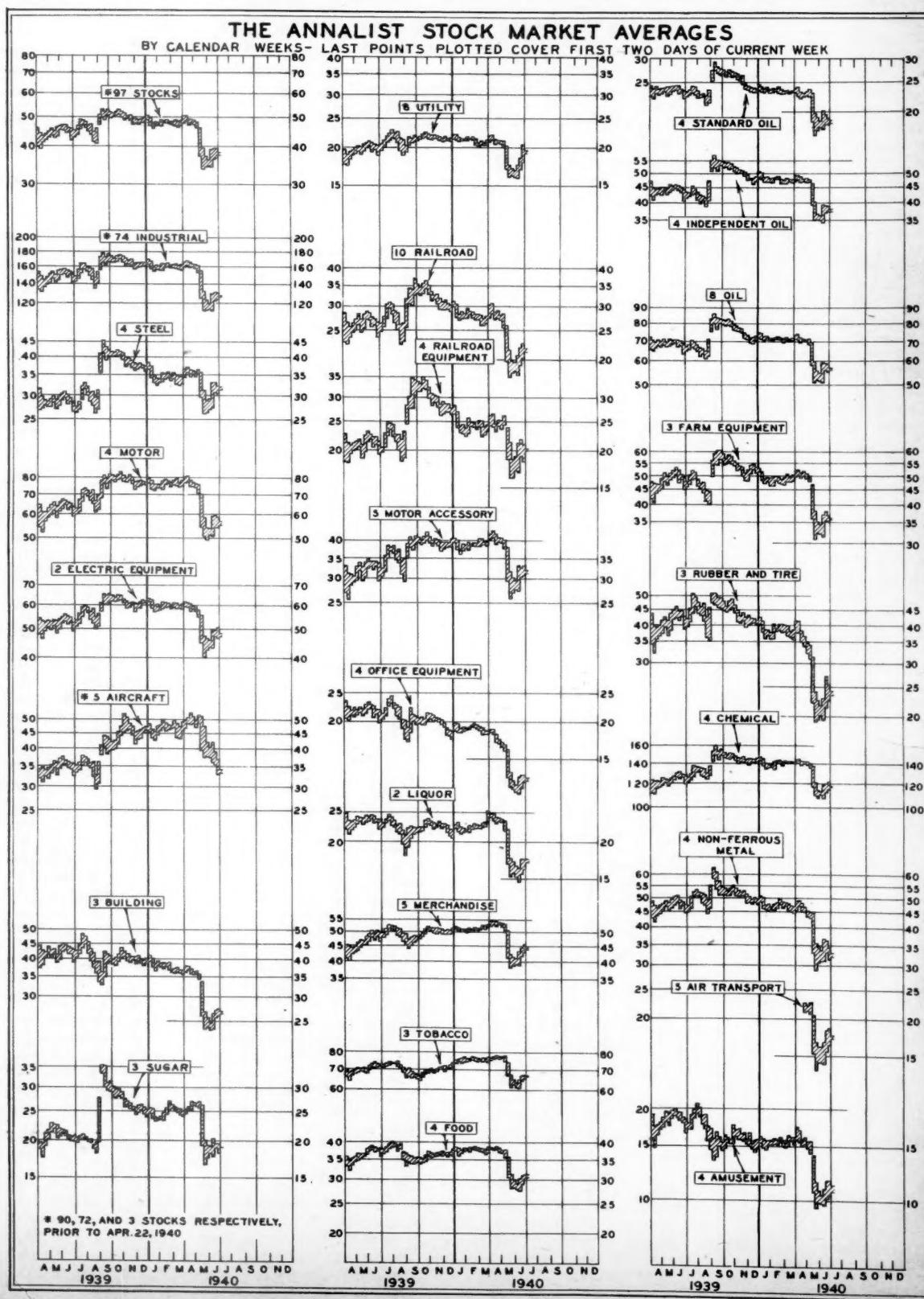
that fifty-one railroad issues had been added to the list of securities eligible for purchase by savings banks in New York State. These additions have included obligations of Great Northern, Northern Pacific and Southern Pacific.

In some respects the market during the past six weeks has given a remarkable exhibition. The fall of Paris, the entrance of Italy into the war and finally the complete collapse of French resistance failed to produce a further decline and instead a moderate rally occurred. Up to date the gains made on this rally

have been held fairly well by most of the list. Volume of trading has contracted to a very low point. It is evident from the level of brokers' loans that speculative interest is at a minimum. All these are favorable symptoms from a technical standpoint, and it seems probable that if the market has a good opportunity it will advance.

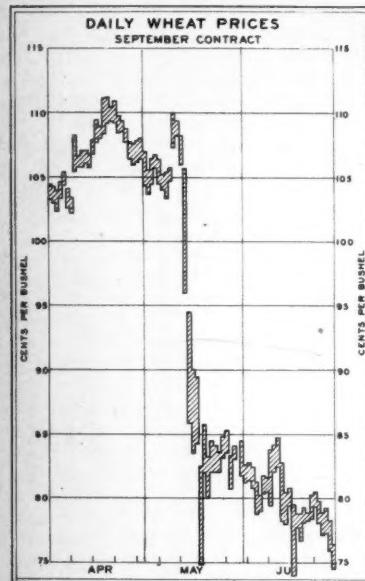
Whether such an opportunity will be given it, however, is an entirely different question. If there is a large-scale German attack on England the effect would be unfavorable. Peace between England and Germany would also be a shock, since it would mean the cancellation of British war orders. So that the news seems unlikely to be favorable.

M.C.



weather. Losses in the futures market amounted to upward of 5 cents.

Showers have delayed the harvesting of the Winter wheat crop in the Southwest and some other sections, but harvesting elsewhere has advanced satisfactorily.



Prospects are for a European crop of several hundred million bushels under last year, the Department of Agriculture suggesting the possibility that it might even be the least since 1927, when it amounted to only 1,275,000,000 bushels, as against 1,717,000,000 harvested in 1939. The Wheat Situation, published by the department's Bureau of Agricultural Economics, reviews the outlook in part as follows:

The domestic wheat supply for the 1940-41 season now seems likely to be about 1,000,000,000 bushels, about the same as for the marketing season ending June 30. The condition of the wheat crop beginning with June has been interpreted to indicate a probable out-turn of about 728,000,000 bushels, and available data as to the utilization and supplies of old wheat indicate a probable carryover of about 280,000,000 bushels. If the domestic utilization of wheat in the new marketing season is about the same as in the present season [i.e., that just ended], the supply available for export and carryover would be about 325,000,000 bushels.

World wheat supplies for the year beginning July 1, 1940, may be 100,000,000 to 200,000,000 bushels smaller than a year earlier, when they totaled 5,459,000,000 bushels, the largest supply on record. As a result of the large world crop in 1939, the world carryover on July 1, 1940, is expected to be about 250,000,000 bushels larger than the estimated 1,189,000,000-bushel carryover on July 1, 1939, but the 1940 world wheat crop may be reduced by between 350,000,000 and 450,000,000 bushels from the estimated 1939 crop of 4,270,000,000 bushels [Russia and China excluded throughout]. Although information on which to base a June indication of world supplies is scantier than usual this year, the information available points to a reduction in world wheat acreage for the 1940 crop and smaller yields per acre in important European-producing areas. Production in the Northern Hemisphere may drop 400,000,000 to 500,000,000 bushels below the estimated 3,866,000,000 bushels harvested last year. Most of this reduction is in Europe. Production in the Southern Hemisphere, however, may possibly total 50,000,000 bushels more than the estimated 404,000,000-bushel production a year earlier.

On the basis of the poor wheat crop indicated in Europe this year, were it not for present European military and political conditions, world trade in wheat probably would be well above any recent year. The blockade and governmental policies, however, may restrict world movement so that imports may show only a moderate increase. Exportable surpluses in surplus-producing countries in 1940-41 are expected to total about 1,000,000,000 bushels.

SUGAR

The domestic sugar futures market declined moderately in the early part of the week, partly in response to weakness in

refined and the pressure of July liquidation as first notice day came. It rallied, however, on better news, to close Friday with net gains of 1 to 5 points for the seven days. Weakness was more marked in the "world" contracts, where the spot July option declined 12½ points and the others 4½ to 5½, owing primarily to the war and to shipping difficulties.

COFFEE

The Santos future coffee contracts were virtually unchanged at the end of a quiet week. Prices had dipped early in the week on July liquidation and the approach of first notice day, but rallied later, largely on firmer mild quotations in the actuals market.

COCOA

Losses of from 39 to 41 points characterized the cocoa futures market last week, due primarily to heavy tenders of July for which the demand from manufacturing interests was not sufficiently active. A further factor in the decline was a London cable in which the British Under-Secretary for the Colonies was quoted as stating that, as a result of the war, markets for some 300,000 tons of cocoa a year had been lost to the West African producers and would presumably continue unavailable for the duration of hostilities. Brazilian reports stated that the Brazilian Government had under consideration the control of the 1940-41 Brazilian cocoa crop, with a minimum price equivalent to 5½ cents, c & f, New York, being rumored; export quotas were apparently to be included.

HIDES

Losses of 20 to 23 points marked trading in hide futures last week, influenced considerably by the trend in the security markets. The Commodity Exchange, Inc., reports that the continued decrease in total visible stocks of all cattle hides and leathers in all hands slowed up in May, but their volume continues the lowest in at least thirty years.

RUBBER

The rubber futures market declined sharply last week, with net losses for the period of 116 to 131 points recorded. Reports of negotiations by the United States Government for the purchase of 100,000 tons of rubber for defense purposes and liquidation, inspired, in part, by the growing uncertainty as to the future of the Far Eastern producing areas relative to Japanese ambitions, were among the causes of weakness.

SILK

Silk futures showed net losses of about 7 points last week, somewhat heavier losses during the first three days being recovered in part on Thursday and Friday. June 1 raw silk stocks in Japan were reported at the equivalent of 168,896 bales, as against 147,939 on March 1 and 123,604 a year ago. June takings by United States mills were reported at 17,307 bales, the lowest since February, 1921, and comparing with 18,997 in May and 26,256 a year ago.

WOOL TOPS

Losses of 17 to 23 points marked wool top futures trading in a week of light activity. Considerable switching from the July option into more distant months was in evidence upon the appearance of notices early in the week. More restricted wool buying in merchandising centers was a depressing influence, as was the fear lest certain South American wools, contracted for by European countries but not yet shipped, might come back upon the producing countries.

COTTONSEED OIL

Cottonseed oil futures went 5 to 8 points lower last week, largely in sympathy with outside weakness. Switching out of the nearer months was in evidence.

WINTHROP W. CASE.

COMMODITY FUTURES PRICES

(Grains at Chicago; Others at New York)

Daily Range

	July	October	December	January	March	May					
Cotton—New:	High. 10.51	Low. 10.45	High. 9.44	Low. 9.37	High. 9.26	Low. 9.20	High. 9.11	Low. 9.08	High. 8.91	Low. 8.82	High. 8.76
June 24.	10.51	10.41	9.38	9.12	9.21	8.95	8.97	8.97	8.94	8.67	8.75
June 25.	10.51	10.41	9.38	9.12	9.21	8.95	8.97	8.97	8.94	8.67	8.75
June 26.	10.50	10.27	9.23	9.08	9.10	8.94	8.95	8.93	8.93	8.66	8.72
June 27.	10.50	10.50	9.27	9.15	9.13	9.08	9.02	9.02	9.05	8.90	8.74
June 28.	10.42	10.42	9.24	9.17	9.10	9.02	8.92	8.92	8.81	8.75	8.62
June 29 close.	10.42	10.42	9.19 t	9.04 t	9.04 n	8.94 n	8.94 n	8.94 n	8.77 t	8.61 t	
Week's range.	10.51	10.27	9.67	9.06	9.51	8.93	9.26	9.01	9.20	8.73	9.04
Previous week.	10.62	10.27	9.67	9.06	9.51	8.93	9.26	9.01	9.20	8.73	9.04
Contract range {	10.82	7.90	10.29	8.25	10.18	8.33	10.14	8.26	10.08	8.10	9.04
range { Ja. 3 Se. 1 Ap. 17 No. 1 Ap. 17 Je. 6 Ap. 17 Je. 6 Ap. 17 My. 18 Je. 20 My. 18											

Old and New Contracts: Traded week ended Friday, June 28, 491,900 bales; previous week, 571,600; year ago, 670,600.

	July	Sept.	Dec.	July (Old).
Wheat:	High. 80¢	Low. 79¢	High. 79¢	Low. 80¢
June 24.	.62%	.59%	.69%	.52%
June 25.	.60%	.56%	.58%	.52%
June 26.	.58%	.54%	.60%	.54%
June 27.	.57%	.55%	.60%	.53%
June 28.	.57%	.55%	.60%	.53%
June 29.	.74%	.74%	.74%	.74%
June 29 close.	.74% t	.74% t	.75% t	.70% t
Week's range.	.80%	.74%	.80%	.74%
Previous week.	.79%	.74%	.80%	.74%
Week July 1, 1939.	.72	.68%	.73	.69%
Contract range {	1.11%	.74	1.11%	.74
range { Ap. 22 Je. 17 Ap. 18 Je. 17 My. 27 Je. 17 Ja. 3 Se. 1				

Wheat: Traded week ended Friday, June 28, 79,876,000 bushels; previous week, 73,302,000; year ago, 106,425,000.

Weekly Range

Week Ended	July 22, 1940.	Contract Range	Week Ended
June 29, 1940.	High. Low. Last.	Date	July 1, 1939.
Corn:	.63	.59%	May 10
July	.62%	.59%	5.2%
Sept.	.60%	.56%	May 10
Dec.	.58%	.54%	June 12
*Bushels traded	14,985,000	13,754,000	44,116,000

Oats:	Week Ended	Contract Range	Week Ended	
June 22, 1940.	High. Low. Date	Low. Date	High. Low.	
July	.32%	.30%	.30% t	.32%
Sept.	.30	.28%	.28% t	.31%
Dec.	.30%	.29%	.29% t	.32%
*Bushels traded	4,600,000	3,408,000	8,483,000	

Rye:	Week Ended	Contract Range	Week Ended	
July 1, 1939.	High. Low. Date	Low. Date	High. Low.	
July	.42%	.39%	.76	.42% t
Sept.	.44%	.40%	.40% t	.47% t
Dec.	.46%	.42%	.42% t	.49% t
*Bushels traded	5,000,000	3,986,000	5,574,000	

Cocoa:	Week Ended	Contract Range	Week Ended	
July 1, 1939.	High. Low. Date	Low. Date	High. Low.	
July	5.00	4.62	4.68 n	5.20
Sept.	5.10	4.72	4.80 n	5.32
Dec.	5.21	4.80	4.90 t	5.41
Jan.	4.91	4.90	4.94 n	6.25
Mar.	5.32	4.93	5.00 t	5.50
May	5.09	5.09 n	5.09 n	6.16
Contracts traded	1,652		1,880	1,386

Coffee—A (No. 7):	Week Ended	Contract Range	Week Ended	
July 1, 1939.	High. Low. Date	Low. Date	High. Low.	
July	3.78	3.76	3.78 n	4.85
Sept.	3.84	3.84	3.88 n	4.32
Dec.	4.02	n	4.02 n	4.08
Mar.	4.17	n	4.17 n	4.25
Contracts traded	5		2	335
				491

Coffee—D (Santos No. 4):	Week Ended	Contract Range	Week Ended	
July 1, 1939.	High. Low. Date	Low. Date	High. Low.	
July	5.72	5.63	5.73 n	5.92
Sept.	5.88	5.81	5.88 n	6.08
Dec.	6.09	6.02	6.09 t	6.25
Mar.	6.22	6.14	6.22 t	6.36
May	6.32	6.21	6.23 t	6.48
Contracts traded	127		127	335
				491

Copper:	Week Ended	Contract Range	Week Ended
July 1, 1939.	High. Low. Date	Low. Date	High. Low.
July	9.96	9.66	9.

Sharp Advance in Canadian Business Suggests Speedier Rearmament Than Realized

THAT the rearmament program is proceeding more rapidly than has been realized seems to be borne out by the May business returns. The Annalist Index of Canadian Business Activity, for instance, has advanced to a new high level only slightly below that of November, 1939, and, according to preliminary advices, may go even further toward "estimated normal" when the final reports for the month become available. A 4 per cent gain brought the index to 96.3 (preliminary) in May from 92.6 (revised) in April and 78.8 in May, 1939. The advance over the figure for last year was 22 per cent.

THE ANNALIST INDEX OF CANADIAN BUSINESS ACTIVITY

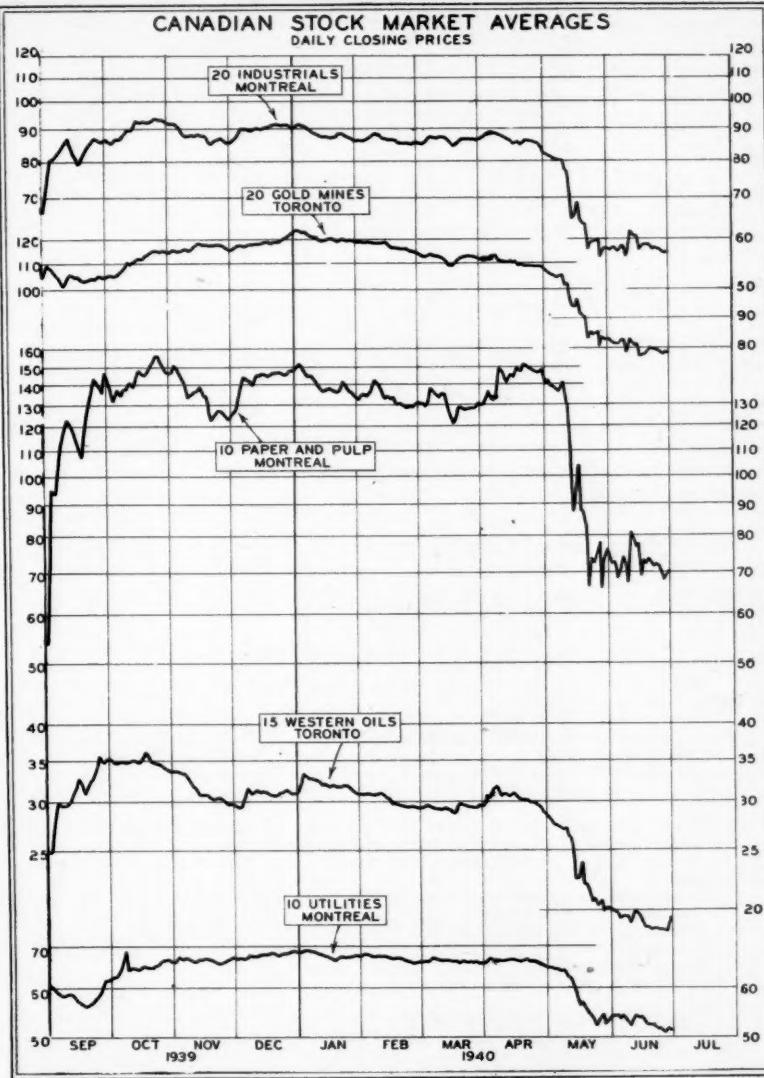
(Adjusted for seasonal variation and long-time trend)

	May, 1940.	Apr., 1940.	May, 1939.
Freight car loadings.....	72.3	69.3	66.5
Electric power production.....	95.4	87.6	87.0
Automobile production.....	82.3	74.3	53.2
Newspaper production.....	80.5	68.5	64.9
Steel ingot production.....	134.4	112.3	96.3
Pig iron production.....	114.7	110.2	72.6
Copper exports.....	253.5	207.6	152.3
Nickel exports.....	217.3	152.3	102.3
Coal production.....	115.9	102.3	80.6
Rubber imports.....	175.7	49.1	49.1
Cotton imports.....	246.1	121.4	98.0
Flour production.....	100.0	80.0	50.0
Cattle slaughtered.....	49.5	51.8	123.7
Hogs slaughtered.....	187.9	181.4	119.3
Board and plank exports.....	94.7	132.2	97.9
Building permits.....	34.8	28.8	24.7
Combined index.....	96.3	92.6	78.8

"Preliminary.

Undoubtedly the most important factor in May's favorable return was the sharp gain in electric power output. This improvement is particularly significant because it indicates a broad revival of activity in a great number of manufacturing and mining enterprises. Power production is almost a sub-index of general industrial activity and so reveals the level of operations of large segments of the economy for which individual statistics are not available. After seasonal adjustment, electric power production (less exports to the United States) during May averaged 80,733,000 kilowatt hours per day, approximately 9 per cent above the April figure of 73,901,000. It is notable that the increase in the electric power index (also 9 per cent) was approximately twice that of the combined index.

Another notable feature of the May business situation was a further sharp gain in the production of steel ingots and castings to 174,417 tons, a new high record. It had been thought that additional gains in steel output would be severely limited by restricted capacity. Either additional capacity has been constructed or the number of hours worked per plant has been increased. Whatever the reason, it is obvious that the number one war industry is certainly "going to it," as Brit-



tain's Supply Minister Morrison had exhorted. The May record of the steel industry must inevitably take some of the sting out of the criticism of the MacKenzie King government. Certainly Mr. King and his associates cannot be very accurately accused of inefficiency, weakness and sluggishness when steel ingot production makes a new record exceeding any monthly output in history.

The other outstanding feature in the

May business reports was the sharp expansion in building permits, which rose to \$9,823,000, a new high record since September, 1931. Practically all of the expansion occurred in residential construction, which accounted for 80 per cent of the permits issued by municipal authorities. Surprisingly enough, industrial building declined between April and May, even though it might have been expected that such construction would show the

greatest promise, in view of the general industrial expansion and the marked increase in armament orders. It turned out that the chief reason for the decline was the falling off in industrial building grants in the Province of Ontario, normally the location of the largest amount of such construction.

It is clear from a recital of the course of output and other data that several important industries have been making a greater-than-average contribution to the revival of industrial activity which had its beginning in April. Construction which

WHOLESALE COMMODITY PRICES

	June 21, 1940.	June 14, 1940.	June 23, 1939.
All commodities.....	81.5	81.8	73.3
Vegetable products.....	70.4	71.1	61.8
Animal products.....	76.4	77.4	71.2
Textile products.....	83.5	83.5	66.4
Wood and paper.....	87.9	87.8	77.0
Iron products.....	102.6	102.3	97.4
Nonferrous metals.....	76.7	76.9	69.3
Nonmetallic minerals.....	88.8	88.8	84.6
Chemicals.....	85.7	85.5	77.8
Canadian farm products.....	63.8	65.5	63.5
Industrial materials.....	78.0	79.1	65.2
Sensitive commodities.....	65.3	65.6	53.7
Wood-Gundy Index for June 26, 1940; June 19, 1940, and June 28, 1939.			

has been unduly depressed all these years will undoubtedly make a further contribution, especially in the industrial field, and give employment to a large class of workers who have been out of employment longest. It will also help give a broader spread to the purchasing power being created by armaments expenditures.

While the war has influenced the Canadian economy drastically, it has not all been for the better. Some divergent trends have developed, as the Monthly Commercial Letter for June of the Canadian Bank of Commerce points out:

* * * Thus, while the spread of hostilities in Europe depressed the sales of certain civilian goods and closed some markets for Canadian exportable products, it has directed to Canada a considerable volume of orders from other countries whose access to European sources of materials, notably pulp, paper and lumber, have been cut off. As another example of divergent trends, we might mention the decline in prices of a number of agricultural products, the marketing difficulties of many farmers and the adverse effects of a backward Spring season, in contrast with the

FREIGHT CAR LOADINGS

	Week Ended June 22, 1940.	June 15, 1940.	June 24, 1940.
Grain and products.....	10,537	10,044	4,633
Livestock.....	1,199	1,275	1,001
Coal.....	5,417	4,683	5,193
Coke.....	399	388	272
Lumber.....	2,813	3,166	2,469
Pulpwood.....	2,000	1,857	937
Pulp and paper.....	3,131	2,850	1,689
Other forest products.....	1,897	1,685	2,263
Ore.....	3,788	3,506	3,160
L. C. I. merchandise.....	13,168	13,095	12,376
Miscellaneous.....	15,050	14,394	11,358
Total.....	58,400	56,876	45,306
Total.....	99.9	95.6	76.3

1926=100; adjusted for seasonal variation.

Week Ended

Transactions on the Montreal Exchange

Saturday, June 29

STOCK EXCHANGE STOCKS	STOCK EXCHANGE STOCKS	STOCK EXCHANGE STOCKS	STOCK EXCHANGE STOCKS	CURB MARKET STOCKS	CURB MARKET STOCKS	CURB MARKET MINING STOCKS	
Sales. High.Low.Last.	Sales. High.Low.Last.	Sales. High.Low.Last.	Sales. High.Low.Last.	Sales. High.Low.Last.	Sales. High.Low.Last.	Sales. High.Low.Last.	
10 Acme Gloves.....	3 2 3	20 Dom Tar pf.....	84 54 54	133 Royal.....	150 150 150	37 Big Min. ....	.93 .93 .93
50 Agnew.....	9 9 9	80 Dom Tech.....	72% 72% 72%	23 Scotia.....	284 284 284	500 Br Gold.....	.014 .014 .014
805 Alcohol A.	1.75 1.75 1.75	315 Dryden.....	5 4% 4%	\$32,700 DmCn34/s2 99% 99% 99%	25 E. Dairy pf.....	4% 4% 4%	
75 A. P. Grain.....	.90 .75 .90	5 East Dair. ....	.60 .60 .60	3,465 Abitibi.....	.70 .60 .60	500 Cart. Mal. ....	.014 .014 .014
480 Algoma.....	.75 .75 .75	70 Electr. ....	.7% 7% 8%	1,700 Abitibi 6 pf.....	.5% 2 3	1,300 Cent Can. ....	.064 .064 .064
264 Asbes.....	16 16 16	140 Fam. Play.	18 18 18	100 Abitibi 7 pf.....	6% 6% 6%	400 Dome. ....	.174 .174 .174
206 A. Brew.	14% 14% 14%	80 Que Fw.	13% 13% 13%	240 Rolland.....	12 12 12	522 Ford. ....	.169 .14 .14
6 A. Brew pf.	10% 10% 10%	90 Que Fw.	13% 13% 13%	10 Holland pf.	90% 90% 90%	115 Fraser. ....	.6% 6% 6%
885 Bathurst.....	9 8% 8%	110 Gatineau.	11 10% 10%	225 Seagran.	90% 87 87	700 Fraser Vt. ....	.9% 8% 8%
200 Bifit Gr.	10 .10 .10	100 Gatineau pf.	80 80 80	250 Seagran.	21% 21% 21%	5 Freiman pf. ....	.32 .32 .32
486 Bifit Gr.	14% 14% 14%	515 G Stl War.	4% 4% 4%	350 Seabourn.	4% 3% 4%	5 Hillcrest Cl. ....	.25 .25 .25
3,544 Bifit Gr.	1% 1% 1%	520 St. Br. Bridg.	3% 3% 3%	515 N. Br. Dist.	1% 1% 1%	5 I. Paint.	1.00 1.00 1.00
165 B. C. Pw.	24 24 24	440 Hager.	10 10 10	50 Bright.	6% 6% 6%	50 Macassar. ....	.258 .258 .258
225 Bruck.	5 4% 4%	106 Lake Wds.	15 15 15	7 Bright pf. ....	.8% .8% .8%	50 McIntyre. ....	.376 .376 .376
670 Bldg Pro.	13 12 13	2 Lk Wds pf.	110 110 110	1,305 Ba Oil.	10% 16% 16%	107 Massey pf. ....	.25% 10% 10%
275 Bubolo.	12 12 12	10 Twin City.	2 2 2	325 Can Mar. ....	.85 .85 .85	110 McCall pf. ....	.83 .82 .85
355 Can Cem.	4 3% 3%	100 Un Steel.	34 34 34	100 Can Brew.	10% 10% 10%	6 Melch. pf. ....	.3% 3% 3%
15 Can Cem pf.	80 80 80	10 W Koot. pf.	120 120 120	100 Can Ind B.	175% 175% 175%	160 Mitchell. ....	.6% 6% 6%
642 Can S. S.	314 27% 27%	500 Wpg El.	1.15 1.15 1.15	5 Can Ind pf.	150 150 150	165 Royalite. ....	.18% 18% 18%
165 Can S. S pf.	9% 9% 9%	40 Wpg El.	30 30 30	5 Can Vckr.	3 3 3	15 Sangamo. ....	.32 .32 .32
230 Can S. S.	36 29 29	35 Zeller's pf.	22 22 22	10 Can Vickers.	10 10 10	33 S CanPw pf. ....	.93% .93% .93%
10 Can S. S.	18% 18% 18%	25 Tookes pf.	6 6 6	100 Thrift.	1.00 1.00 1.00	4,783 Sullivan. ....	.51 .50 .50
620 Can Car.	6% 6% 6%	10 Twin City.	2 2 2	100 Thrift pf.	8 8 8	100 Teek H. ....	.245 .245 .245
45 Can Car pf.	13 13 13	100 Un Steel.	34 34 34	100 Wood.	1.00 1.00 1.00	200 Wain. ....	.290 .290 .290
710 Cel.	26% 25% 25%	10 W Koot. pf.	120 120 120	100 Wm.	100 100 100	2,100 Wood Cad. ....	.06 .06 .06
50 Cel pf.	110 110 110	100 Wpg El.	16 16 16	100 Wm.	100 100 100	200 Wr Harg.	4.90 4.90 4.90
200 Cel.	22 22 22	325 Can Ind pf.	1.00 1.00 1.00	100 Wm.	100 100 100	300 Anglo Can. ....	.56 .56 .56
25 C. P. Inv.	5 5 5	350 Can Ind pf.	10 10 10	100 Wm.	100 100 100	3,000 Davies. ....	.14 .14 .14
1,200 C. P. R.	4% 4% 4%	350 Can Ind pf.	10 10 10	100 Wm.	100 100 100	3,750 Home. ....	.15 .15 .15
30 Cockshutt.	4% 4% 4%	350 Can Ind pf.	10 10 10	100 Wm.	100 100 100	575 Okita. ....	.65 .65 .65
60 Crown Cork.	21% 21% 21%	350 Can Ind pf.	10 10 10	100 Wm.	100 100 100	900 Okita. ....	.65 .65 .65
703 Dom Brid.	22% 22% 22%	350 Can Ind pf.	10 10 10	100 Wm.	100 100 100		
790 Dom Coal pf.	17% 17% 17%	350 Can Ind pf.	10 10 10	100 Wm.	100 100 100		
1,305 Dom S&C B.	6% 6% 7%	1,007 Noranda.	45 44 44	100 Wm.	100 100 100		
465 Dom Tar.	4 4 4	1,007 Noranda.	21 20 21	100 Wm.	100 100 100		
		11 Ogilvie.	146 146 146	100 Wm.	100 100 100		
		113 Mt.	178 178 178	100 Wm.	100 100 100		
		113 Mt.	178 178 178	100 Wm.	100 100 100		

excellent condition of orchards and overwinter crops and the improvement in the outlook for the Western Grain Belt. The qualifications governing other sections of business, however, do not apply to construction, which has recently given considerable impetus to general business, for the new contracts awarded in the three months ending May, amounting to over \$65,000,000, were two-thirds greater in value than those of the like term of 1939.

There appears to be little change in current crop conditions, as far as can be judged from the latest telegraphic crop report issued by the Dominion Bureau of Statistics. In most areas, the growths are proceeding satisfactorily. In Central Saskatchewan, and to a lesser extent in Northern Saskatchewan, heavy current rains are needed to "maintain prospects." Grasshoppers are damaging crops in Southeastern Alberta and Southwestern Saskatchewan, and an epidemic of these pests in south-central Manitoba has been cut short by cool rainy weather, although this area is still threatened.

With the blockade having assumed continental proportions, however, the present grain situation takes on less importance than normally. For a large part of the Canadian wheat market has been cut off. According to the Royal Bank of Canada in its current monthly review, "By the action of Germany, Canada has lost wheat and flour markets which absorbed last season (1938-39) just over 31,000,000 bushels, but in addition to Great Britain and Ireland, Canada still retains the markets of forty-two countries. To these, shipments of 37,000,000 bushels were made last season." The markets lost, moreover, accounted for something like one-quarter of total foreign shipments of Canadian wheat. No wonder that wheat and other agricultural prices have been weak. The prospects for farm income are now not particularly favorable, and this is the one weak link in the chain of the Canadian economy.

Canada's new budget, the second war budget presented since the start of the conflict last September, calls for a drastic increase in tax levies. The New York Times reports that the budget was actually cheered. How drastic are these levies is evident from the accompanying list of the changes wrought, as taken from The Financial Times of Montreal. By this new tax law, corporations are compelled to pay a minimum of at least 30 per cent of net income. All corporate profits in excess of an average for the years 1936 through 1939 are taxable at the rate of 75



per cent of all such excess. Unincorporated businesses will pay a normal tax of 12 per cent.

Personal income taxes are also heavy. Unmarried persons earning \$600 a year, and married persons earning \$1,200 a year

will pay a 2 per cent tax, which goes to 3 per cent for a single person earning more than \$1,200 per annum. A new graduated excise tax on automobiles will virtually close the Canadian market for expensive motor vehicles imported largely

from the United States. A goodly number of other direct taxes has been raised or instituted. All in all, a country with a national income of about \$4,500,000,000 is asked to assume and gladly accepts the responsibility of a \$1,148,000,000+ budget.

S. L. MILLER.

Toronto Stock Exchange DAILY CLOSING AVERAGES

	20	20	15 West. Oils.
1940.	Industrials.	Golds.	
June 1	89.6	88.0	19.9
June 4	89.4	81.5	19.7
June 6	89.3	81.3	19.4
June 8	89.5	81.3	19.5
June 10	90.5	82.3	19.5
June 11	90.0	82.0	19.5
June 12	86.8	78.2	19.0
June 13	88.9	80.0	19.2
June 14	82.7	82.6	20.0
June 15	Holiday		
June 16	91.9	80.9	19.7
June 17	92.2	81.1	19.4
June 18	88.8	77.4	18.8
June 19	89.4	78.1	18.8
June 20	88.9	78.2	18.8
June 21	89.6	79.5	18.6
June 22	89.7	79.9	18.7
June 23	89.2	79.5	18.6
June 24	88.3	79.4	18.7
June 25	86.4	78.9	18.6
June 26	86.0	78.5	18.5
June 27	87.0	79.0	18.1
June 28	86.9	78.8	18.5
July 1	Dominion Day.		

SHARES SOLD

Week Ended	June 29	July 1
Monday	86,000	311,000
Tuesday	135,000	256,000
Wednesday	99,000	370,000
Thursday	115,000	424,000
Friday	107,000	280,000
Saturday	58,000	Holiday
Total	600,000	1,641,000

Montreal Stock Exchange DAILY CLOSING AVERAGES

	10	20	10 Pulp	15
1940.	Utilities.	Industrials.	and Paper.	Golds.
June 1	54.2	58.0	74.5	62.7
June 3	54.1	57.8	72.3	62.1
June 4	54.4	58.2	72.4	63.1
June 5	53.7	57.5	68.5	63.0
June 6	54.2	57.3	70.7	62.4
June 7	53.8	58.5	74.0	62.9
June 8	53.9	58.0	72.8	62.0
June 9	52.4	57.0	67.6	60.4
June 10	53.2	57.8	73.5	61.1
June 11	54.1	62.0	81.8	63.1
June 12	Holiday			
June 13	53.5	60.8	76.9	62.2
June 14	53.7	60.8	77.6	61.5
June 15	52.5	57.7	69.0	57.2
June 16	52.2	58.4	73.1	55.2
June 17	52.1	58.7	72.1	57.2
June 18	52.1	58.6	73.6	56.7
June 19	52.2	58.6	72.4	57.8
June 20	51.7	57.9	71.9	59.1
June 21	51.8	58.0	72.1	58.9
June 22	51.3	57.8	72.0	59.9
June 23	50.9	57.7	70.2	58.1
June 24	51.1	57.2	68.2	56.6
June 25	51.7	57.2	69.4	58.2
June 26	51.2	57.2	70.1	57.4
July 1	Dominion Day.			

SHARES SOLD

Week Ended	June 29	July 1
Monday	13,000	29,000
Tuesday	17,700	28,000
Wednesday	21,400	66,000
Thursday	13,900	60,000
Friday	17,900	71,000
Saturday	9,400	Holiday
Total	93,860	254,000

Tax Increases of the Second Canadian War Budget

(Fiscal Year 1940-41)

New excise tax on new and unused automobiles ranging from 10 per cent on manufacturers' value of \$700 to 80 per cent on excess over \$1,200.

Personal income tax rates sharply increased and exemptions for single and married persons lowered.

New national defense tax of 2 per cent of income and 3 per cent in case of single persons earning more than \$1,200. Tax credit of \$8 for each dependent.

Excess profits tax revised, abolishing optional graduated rate on returns from capital, and rate on total profits raised from 50 per cent to 75 per cent of all profits in excess of a base rate from average profits over four-year pre-war period.

A war exchange tax of 10 per cent of value of all imports except those commodities entered under the British preferential tariff.

A new tax of 10 per cent on all radios, radio tubes, phonographs and cameras.

Excise tax on cigarettes raised from \$5 to \$6 per 1,000.

Excise tax on manufactured tobacco raised from 25 to 35 cents a pound.

Excise tax on cigarette papers and tubes raised from 2 to 25 cents per 100.

New excise tax on raw leaf tobacco sold to consumers of 10 cents a pound.

Excise tax on cigars increased from 50 cents to \$1 per 1,000.

Excise tax on matches increased one-third, or from 3/4 cent to 1 cent on box of 100.

Tariff changes of technical nature.

Tax of five cents a pound on rubber tires and tubes except those on new cars, compared with two and three cents a pound respectively under present schedules.

Imported malt syrup rate raised from 21 to 24 cents a pound.

Dressed or dyed furs taxed 12 per cent instead of the present 8 per cent.

Sales tax exemption to home canners limited to 10,000 one-pound cans and flower sales tax exemption for farmer-florists limited to \$500.

Week Ended

Transactions on the Toronto Stock Exchange

Saturday, June 29

CANADIAN STOCKS

INQUIRIES INVITED

A. E. AMES & CO.

INCORPORATED

TWO WALL STREET, NEW YORK

STOCK EXCHANGE STOCKS

Sales. High. Low. Last.

1,140 *Abitibi ... 65 50 50

2,800 *Acme Gas. 3 3 3

500 *Afton ... % % %

25 *A.P. Grain. 100 100

20 A.P. Grn. 24 24 24

3,850 *Alderman. 128 128

45 *Alcan ... 51 51 51

1,000 *Amalg. Gold. 14% 14% 14%

3,300 *Anglo Can. 52 50 52

1,457 *Anglo Hr. 150 150

4,500 *Armitfield. 54 4 4

4,433 *Aurora ... 105 95 95

2,000 *Babagamid. 3 3 3

2,382 *Bacardi ... 7 7 7

31 *Bank Mont. 188 180 180

8,400 *Base Mts. 8 8 8

45 Bath Pw. A 84 84 84

1,900 *Beattie Gld. 81 80 80

2,000 Beaucharnois. 4% 3% 4

463 Bell Phone. 140 140

5,050 *Biggood. 12 11 11

1,100 *Bilco Oil. 15 15 15

1,810 *Bilco Oil. 54 52 52

1,025 *Bilco Oil. 4% 4% 4%

3,970 Brazil Tr. 4% 3% 4%

35 Brew & Dis. 3% 3% 3%

2,650 B.A. Oil. ... 174 165 165

35 B.C Pow. A 26 25 25

2,300 Chem. Re. 17 17

75 Great West. 24 24 24

4,500 *Goldale. 26 26 26

4,500 *Gordon. 9 8 8

1,100 *Gosforth. 175 175 175

100 Gosselin. 175 175 175

1,500 *Gowline. 17

Financial News of the Week

THE automobile and textile are among the principal industries on which Commercial Solvents Corporation must depend for sale of its products. Among others are those making furniture, paper and rubber goods, and in addition those which rectify and distribute whisky.

While the products Commercial Solvents sells to these are varied commercially, chemically most of them are based fundamentally on the process of natural fermentation. Influencing heavily its profit margins, therefore, are the price of corn and molasses, its principal raw materials.

Just put into production by the company is a new \$500,000,000 plant at Peoria, Ill., whose products are expected to give Commercial Solvents more diversification, tap new markets. The new plant is operating on nitro-paraffins from which may be produced solvents, resins, explosives, plastics, bases for dyestuffs, pharmaceuticals and rubbers. It is the first plant of its kind and it represents the result of eight years of research and development work.

In the solvents field, competition has been intensifying for some years and the depressed earnings of Commercial have been showing it. From \$1.51 a share in 1929, earnings sagged to 88 cents in 1933, then rose to \$1.02 in 1935. But in the good year 1937 they amounted to only 60 cents a share and slipped to a deficit of 11 cents a share in 1938. The 11 cents is after an \$891,907 inventory write-down. It includes, however, a nonrecurring profit of \$171,190. Liberal dividends were paid from 1927 to 1937, but none have been paid since.

Recently there has been talk of the company resuming dividend payments. Improvement in its position and earnings indicate such a thing possible. Net income in the first quarter of this year was \$513,560, or 19 cents a share, as against \$198,042, or 8 cents a share in the March quarter of last year. Contributing to this improvement have been higher selling prices for the leading solvents. Development of the newer lines from nitro-paraffins should brighten the company's long-range outlook appreciably.

In recent years its liquid finances have been strengthened by inventory liquidation and the sale of certain investments. The company has no funded debt. Bank debt at the end of 1939 was down to \$1,000,000, due this year.

Important items from annual reports of the company over a period of years are given in the accompanying table.

The products of more than seventy plants of E. I. du Pont de Nemours & Co. are taken by practically every industry one can name. Largest customer, however, is the textile trade which accounts for about 22 per cent of du Pont sales.

Nearly 60 per cent of the company's gross income comes from chemical manufacturing. The rest comes from investments; chiefly from dividends on the 10,000,000 General Motors common shares owned.

While the price trend of many major chemicals has been downward over a period of years, du Pont has succeeded in offsetting this and maintaining profit margins by research and development work, expanding sales. Operating profits, as a result, have exceeded those of 1929 in every year since 1934. The 1939 operating profit was about double that of 1929. Income on investments in recent years has been approximating that of the late Nineteen Twenties.

Recent unofficial estimates put du Pont's net income for the second quarter of this year at about \$2.30 a share, of

which 90 cents would be from General Motors dividends and \$1.40 from chemical operations. This would compare with \$2.04 in the preceding quarter and \$1.73 in the corresponding quarter of last year. In 1939 the company earned \$7.65 a share as compared with \$3.74 in 1938.

Among recent developments bearing upon the company's outlook was the announcement that the Tennessee Powder Company had been formed at Memphis by the British and French Governments to manufacture smokeless powder. Du Pont, it was explained, would have no financial interest in the enterprise but it would operate for the Tennessee company a new plant employing 5,000 men.

Important items from the annual reports of the du Pont Company were given in the issue of Nov. 2, 1938.

Union Carbide and Carbon Corporation also includes practically all lines of industry in its customer list. Principal takers of its products are the steel and metalworking industries and the railroads. About 20 per cent of its sales are foreign.

Industrial gases and equipment for cutting and welding metals; carbon products such as electrodes, batteries and motor brushes; ferro-alloys for making corrosion-and-abrasion-resisting steels and a wide range of alcohols, acids and resins synthesized from natural gas or petroleum are what the company produces.

Principal contributor to the company's income, as a rule, are the industrial gases. Sale of these and other products are sensitive to fluctuations in the heavy industries, of course, but consistent product development has tended to offset the downswings.

Recent gains in the capital goods industries are expected to reflect in the company's current sales. Its plastics business is reported to be showing healthy growth.

Unofficial earnings estimates set the per share figure for the second quarter around \$1.20, as compared with \$1.13 in the March quarter and 60 cents in the second quarter of 1939. Net income for the entire year 1939 was equivalent to \$3.86 a share, as against \$2.77 in 1938.

Carbide and Carbon Chemicals Corporation, subsidiary, has started construction of a plant in Texas within the past few weeks to manufacture synthetic-organic chemicals from refinery gases to be supplied by Pan American Refining Corporation.

Important items from annual reports of the company were given in the issue of Sept. 7, 1938.

INDUSTRIES

Figures in Parentheses Give Date of Last Previous Item

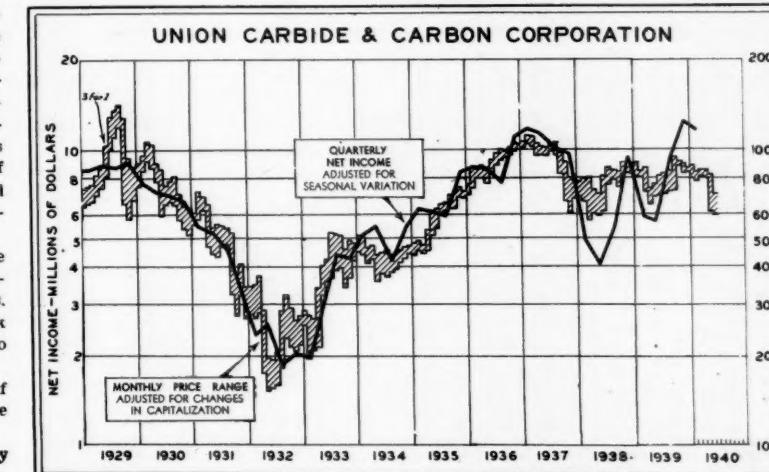
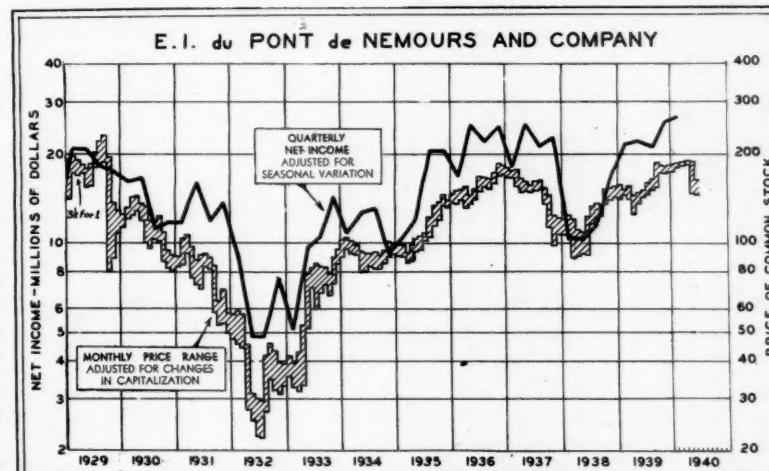
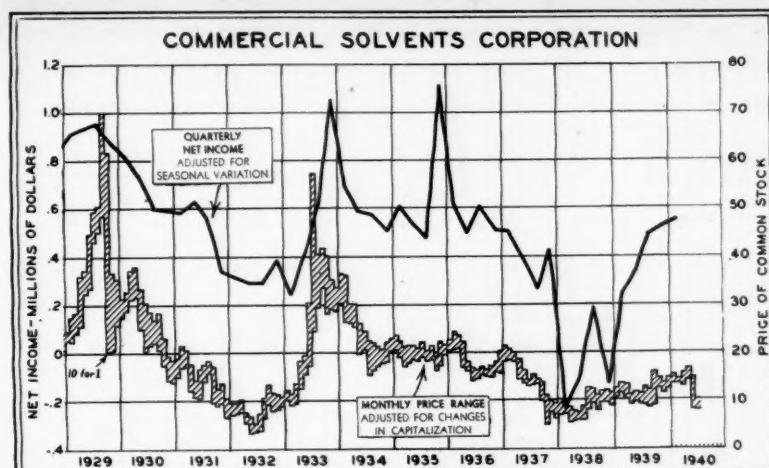
American Car and Foundry (6-27-40)—C. J. Hardy, president, stated that this company now is in a position to supply to other concerns light armor plate suitable for army tanks by reason of "special facilities it has installed for the purpose." Sources of supply for this type of armor plate are limited at present.

"Undoubtedly," Mr. Hardy said, "a great number of these military tanks, both light and heavy, will be required in the carrying out of the program of national defense and it reasonably may be expected that company will be called upon to aid in their production."

Company has paid off \$4,500,000 bank loans shown on the balance sheet out of its cash account, reducing the latter to approximately \$4,500,000. Current assets as of April 30, 1940, totaled \$28,607,000, including \$8,570,000 cash and \$1,847,000 marketable securities, and current liabilities were \$9,096,000.

American Woolen (6-27-40)—For first half of current year company is expected to report a loss of about \$1,000,000 compared with a profit, after interest and depreciation but before Federal income taxes, of \$357,670, or just over \$1 a share on outstanding preferred stock in like period of 1939.

Aviation Corporation (6-27-40)—Navy Department has awarded \$1,541,448 contract to Ly-



Commercial Solvents Corporation (Thousands)							
Years Ended Dec. 31:	Net Sales.	Cost of Sales.	Net Income. Share.	Earned a Dividends Paid.	Surplus After Divs.	P. & L. Surplus.	
1929	\$11,531	31.8	\$3,667	\$1.51	\$1,958	\$1,710	...
1930	...	2,717	1.07	2,482	235	...	3,597
1931	...	2,118	0.84	2,530	412	3,358	...
1932	...	1,282	0.51	1,518	236	4,123	...
1933	...	2,328	0.88	1,550	778	4,123	...
1934	\$10,813	\$8,430	2,347	0.89	1,582	765	4,916
1935	\$37,310	*\$33,664	2,702	1.02	2,241	461	5,379
1936	*\$47,856	*\$45,001	2,232	0.85	2,109	123	5,505
1937	*\$45,938	*\$44,033	1,587	0.60	1,582	5	5,382
1938	\$31,446	30,896	d 294	d 0.11	d 294	5,062	...
1939	\$34,245	32,616	1,600	0.61	1,600	6,485	...

*Includes Federal withdrawal taxes on products sold. {Properties of parent company were written down to \$1 on Dec. 21, 1930. Figures given on and after that date are values of subsidiary properties. d Deficit.

coming division of Aviation Manufacturing Corporation, subsidiary, for engines.

Baldwin Locomotive Works (6-27-46) — Consolidated unfilled orders as of May 31, 1940, totaled \$37,710,892, compared with \$44,215,799 on Jan. 1, 1940, and \$30,558,469 on May 31, 1939.

Beatrice Creamery (2-29-40)—C. H. Haskell, president, said unit sales increased only

1.4% compared with the increase of 9.8% in dollar sales. Larger increase in dollar volume largely was result of higher price of dairy products during the quarter.

Late Spring caused the production and sale of butter and ice cream to fall under last year and the decrease in profits was in these and the cold-storage departments.

Beech Aircraft (6-27-40)—Net delivered sales for the first twenty-three days of June,

1940, totaled \$295,694, a new record as compared with any like period. The June sales total was estimated at \$364,166.

It was stated that firm orders are sufficient to absorb present production facilities of the corporation for a full year, regardless of any developments in the international situation.

Boeing (6-6-40) — Navy Department has awarded a \$3,778,628 contract to Stearman Aircraft division of company for planes and spare parts.

Brewster Aeronautical (6-13-46)—Company has leased old Ford Motor Company assembly plant in Long Island City, N. Y., in order to speed production. The new plant, with 482,000 square feet of floor

Dividends Declared

**Since Previous Issue
of The Annalist**

and Awaiting Payment

Regular	Hids.		Pe- Pay- able		Hids.		Company		Pe- Pay- able		Hids.		Company		Pe- Pay- able		Hids.		Company		Pe- Pay- able		Hids.				
Company	Rate.	Rec.	Rate.	Rec.	Company	Rate.	Rec.	Company	Rate.	Rec.	Company	Rate.	Rec.	Company	Rate.	Rec.	Company	Rate.	Rec.	Company	Rate.	Rec.	Company	Rate.	Rec.		
Abrham & Stras. . . . .	.50c		7-25	7-15	Hecker Prod.	\$1.75	Q	6-29	6-27	Royal Typewriter	\$1.75	Q	7-15	7-1	Southern Calif. Ry. \$1.50ppf ^{1/2} c	Q	6-29	6-27	SuperCalm Tr sh C14 3/4c	Q	6-29	6-27	Company	Rate.	Rec.	
Alfa Fuel & Iron Co.20c	Q	7-1	6-20	Hercules Pow. pf.15c	Q	8-1	7-10	St Croix Paper15c	Q	7-15	7-8	Stark Mfg. Co.	125c	Q	7-15	7-1	SuperCalm Tr sh D14 4-5c	Q	7-1	6-24	Company	Rate.	Rec.	
Allegheny Tr (Pitts) F.81	Q	7-1	6-20	Hershey Chocolate75c	Q	8-15	8-2	St John DD&W pf1.37% c	.75c	Q	7-1	6-18	Smyth Mfg. Co.	50c	Q	7-1	7-1	Taunton Gas Light	50c	Q	7-1	6-24	Company	Rate.	Rec.
Alleen Electric . . . . .	.24c	Q	7-1	6-20	Hershey Ch \$4 cv pf. . . . .	.75c	Q	8-15	7-25	St Joseph Stock Yards . . . . .	.75c	Q	7-1	6-18	So Frank Proc 7%pf \$1.75	Q	7-10	6-28	Thirdn B&T (Daytono) 6cc	Q	6-29	6-27	Company	Rate.	Rec.
Almagamated pf. \$121c	Q		7-15	7-20	Hill St Bank & Trust Co. . . . .	.25c	Q	8-1	7-20	St Lawrence F. M. . . . .	.25c	Q	8-1	7-20	SoulnGass&E 4.8%pf \$1.20	Q	8-1	7-1	Title I & L Aug.	Q	7-1	6-21	Company	Rate.	Rec.
Almondine Co. . . . .	.75c	Q	7-1	6-21	Hollinger C & M. . . . .	.32c	S	7-1	6-29	St Lawrence F. M. . . . .	.32c	Q	8-1	7-20	Sou Norwalk Tr (Conn)	Q	7-1	6-21	Toburn Gold Mines Ltd 2c	Q	8-22	7-2	Company	Rate.	Rec.
Almondine Tr 75pf. \$1.75	Q		7-10	6-30	Holly Sug. Co. . . . .	.15c	Q	8-1	6-12	SantonPS (ar 39) 6.6%pf \$1.50	Q	6-30	6-15	Sou Weaving . . . . .	.51	Q	6-28	SuperCalm Tr sh C14 3/4c	Q	6-29	6-27	Company	Rate.	Rec.	
Am Fidelity & Cas(Va) 15c	Q		7-15	7-5	Holmes C & M.15c	Q	8-1	6-12	Sports Prod. Inc.20c	Q	7-20	6-20	SuperCalm Tr sh D14 4-5c	Q	7-1	6-24	Taunton Gas Light	50c	Q	7-1	6-24	Company	Rate.	Rec.	
Am Fork & Hoe pf. 50c	Q		7-15	7-5	Holmes C & M. . . . .	.15c	Q	8-1	6-12	Springfield&MT Mass. 50c	Q	7-1	6-20	So Frank Proc 7%pf \$1.75	Q	7-10	6-28	Union N Bost.	1.33c	Q	7-1	6-24	Company	Rate.	Rec.	
Am Home Prod. . . . .	.20c	M	8-1	7-15	Holmes C & M. . . . .	.15c	Q	8-1	6-12	Springfield&MT Mass. 50c	Q	7-1	6-20	So Frank Proc 7%pf \$1.75	Q	7-10	6-28	Union N Bost. . . . .	.50c	Q	7-1	6-24	Company	Rate.	Rec.
Am Lt & Tract.30c	Q	8-1	7-15	Holiday Inn25c	Q	8-1	6-21	Securit Inv St L.50c	Q	7-1	6-23	State St. Invest.50c	Q	7-15	6-15	Stecher-T LithgraphCp124c	Q	6-29	6-15	Company	Rate.	Rec.	
Am Lt & Tract pf.37c	Q	8-1	7-15	Holiday Inn25c	Q	8-1	6-21	Securit Inv St L.50c	Q	7-1	6-23	Steel Co Canada Ltd 43c	Q	8-1	6-15	Shell Un Oil pf.25c	Q	7-15	6-20	Company	Rate.	Rec.	
Atlantic City Sewer.25c	Q	7-1	7-15	Holiday Inn25c	Q	8-1	6-21	Shibak Prem M Ltd.4c	Q	7-25	7-5	Sun Ray Drug.20c	Q	8-1	7-15	Unit Gas Imp.85 pf. \$1.20	Q	9-30	6-20	Company	Rate.	Rec.
Attleboro Sewer.25c	Q	7-1	6-15	Holiday Inn25c	Q	8-1	6-21	Sun Ray Drug pf.374c	Q	8-1	7-15	Sun Ray Drug pf.20c	Q	8-1	7-15	Sunglow Ind Inc.125c	Q	7-15	6-20	Company	Rate.	Rec.
Badger Paper M Inc 6c	Q		7-1	6-25	Holiday Inn25c	Q	8-1	6-21	Sou Sioux City Stock Yd. 37% c	Q	6-29	6-20	Sunglow Ind Inc.125c	Q	7-15	6-20	Sunglow Ind Inc.125c	Q	7-15	6-20	Company	Rate.	Rec.	
Bartigs Br Co 6% cv pc	Q		8-1	7-20	Holiday Inn25c	Q	8-1	6-21	Sunglow Ind Inc.125c	Q	7-15	6-20	Tor Water Co.50c	Q	6-30	6-20	Waterbury Farrel Pdy &	.50c	Q	7-1	6-24	Company	Rate.	Rec.
Berland Shoe Strs. . . . .	.124c	Q	8-1	7-20	Holiday Inn . . . . .	.25c	Q	8-1	6-21	Sunglow Ind Inc. . . . .	.125c	Q	7-15	6-20	Waterloo T&S (Ont) .20c	\$	8-2	6-20	Waterloo T&S (Ont) .20c	\$	8-2	6-20	Company	Rate.	Rec.
Berland Shoe Strs pf.124c	Q	8-1	7-20	Holiday Inn25c	Q	8-1	6-21	Sunglow Ind Inc.125c	Q	7-15	6-20	Weinberger Drug.25c	Q	6-28	West Coast Oil Co pf. \$1	.50c	Q	7-5	6-28	Company	Rate.	Rec.	
BeverlyNatB(Beverly)M	Q		8-1	7-20	Holiday Inn25c	Q	8-1	6-21	Sunglow Ind Inc.125c	Q	7-15	6-20	West Mich St Fdry.15c	Q	6-28	West Coast Oil Co pf. \$1	.50c	Q	7-5	6-28	Company	Rate.	Rec.	
Bloomingdale Bro. . . . .	.18c	Q	7-25	7-15	Holiday Inn . . . . .	.25c	Q	8-1	6-21	Biggs-Long Reedy ods. . . . .	.15c	Q	10-1	6-24	W. Mich S F Fdy. . . . .	.15c	Q	6-28	Wilkes-Barre D&S Bak. 50c	Q	8-1	6-24	Company	Rate.	Rec.
Boston Edison Co. . . . .	.32	Q	8-1	7-10	Holiday Inn . . . . .	.25c	Q	8-1	6-21	Biggs-Long Reedy ods. . . . .	.15c	Q	10-1	6-24	W. Mich S F Fdy. . . . .	.15c	Q	6-28	Wilkes-Barre D&S Bak. 50c	Q	8-1	6-24	Company	Rate.	Rec.
Butler Mfg 6% pf. . . . .	.15c	Q	6-29	6-25	Holiday Inn . . . . .	.25c	Q	8-1	6-21	Bozeman (Mont.) 3/4% pf. rel. 1935	.15c	Q	10-1	6-24	W. Mich S F Fdy. . . . .	.15c	Q	6-28	Wilkes-Barre D&S Bak. 50c	Q	8-1	6-24	Company	Rate.	Rec.
Calumet & Hecla C 25c	Q		7-16	7-6	Holiday Inn . . . . .	.25c	Q	8-1	6-21	Bozeman (Mont.) 3/4% pf. rel. 1935	.15c	Q	10-1	6-24	W. Mich S F Fdy. . . . .	.15c	Q	6-28	Wilkes-Barre D&S Bak. 50c	Q	8-1	6-24	Company	Rate.	Rec.
Can Amer Tr Shs. . . . .	.8c	Q	7-1	6-20	Holiday Inn . . . . .	.25c	Q	8-1	6-21	Bozeman (Mont.) 3/4% pf. rel. 1935	.15c	Q	10-1	6-24	W. Mich S F Fdy. . . . .	.15c	Q	6-28	Wilkes-Barre D&S Bak. 50c	Q	8-1	6-24	Company	Rate.	Rec.
Can Equity Tr Shs. . . . .	.28c	Q	6-29	6-25	Holiday Inn . . . . .	.25c	Q	8-1	6-21	Bozeman (Mont.) 3/4% pf. rel. 1935	.15c	Q	10-1	6-24	W. Mich S F Fdy. . . . .	.15c	Q	6-28	Wilkes-Barre D&S Bak. 50c	Q	8-1	6-24	Company	Rate.	Rec.
Can Franklin pf. . . . .	.15c	Q	7-15	6-25	Holiday Inn . . . . .	.25c	Q	8-1	6-21	Bozeman (Mont.) 3/4% pf. rel. 1935	.15c	Q	10-1	6-24	W. Mich S F Fdy. . . . .	.15c	Q	6-28	Wilkes-Barre D&S Bak. 50c	Q	8-1	6-24	Company	Rate.	Rec.
Can Goldwood & B 25c	Q		7-1	6-19	Holiday Inn . . . . .	.25c	Q	8-1	6-21	Bozeman (Mont.) 3/4% pf. rel. 1935	.15c	Q	10-1	6-24	W. Mich S F Fdy. . . . .	.15c	Q	6-28	Wilkes-Barre D&S Bak. 50c	Q	8-1	6-24	Company	Rate.	Rec.
Cedar Rapids Mfg & 75c	Q		8-15	7-31	Holiday Inn . . . . .	.25c	Q	8-1	6-21	Bozeman (Mont.) 3/4% pf. rel. 1935	.15c	Q	10-1	6-24	W. Mich S F Fdy. . . . .	.15c	Q	6-28	Wilkes-Barre D&S Bak. 50c	Q	8-1	6-24	Company	Rate.	Rec.
Century Elec. . . . .	.10c	Q	6-28	6-25	Holiday Inn . . . . .	.25c	Q	8-1	6-21	Bozeman (Mont.) 3/4% pf. rel. 1935	.15c	Q	10-1	6-24	W. Mich S F Fdy. . . . .	.15c	Q	6-28	Wilkes-Barre D&S Bak. 50c	Q	8-1	6-24	Company	Rate.	Rec.
Cent Inv Co. . . . .	.7c	Q	7-20	6-25	Holiday Inn . . . . .	.25c	Q	8-1	6-21	Bozeman (Mont.) 3/4% pf. rel. 1935	.15c	Q	10-1	6-24	W. Mich S F Fdy. . . . .	.15c	Q	6-28	Wilkes-Barre D&S Bak. 50c	Q	8-1	6-24	Company	Rate.	Rec.
Cent Inst Secur. Ltd. Ins	Q		7-1	6-20	Holiday Inn . . . . .	.25c	Q	8-1	6-21	Bozeman (Mont.) 3/4% pf. rel. 1935	.15c	Q	10-1	6-24	W. Mich S F Fdy. . . . .	.15c	Q	6-28	Wilkes-Barre D&S Bak. 50c	Q	8-1	6-24	Company	Rate.	Rec.
Cent Inst Secur. Ltd. Ins	Q		7-1	6-20	Holiday Inn . . . . .	.25c	Q	8-1	6-21	Bozeman (Mont.) 3/4% pf. rel. 1935	.15c	Q	10-1	6-24	W. Mich S F Fdy. . . . .	.15c	Q	6-28	Wilkes-Barre D&S Bak. 50c	Q	8-1	6-24	Company	Rate.	Rec.
CentInstTr (Harrabg) 15c	S		6-29	6-25	Holiday Inn . . . . .	.25c	Q	8-1	6-21	Bozeman (Mont.) 3/4% pf. rel. 1935	.15c	Q	10-1	6-24	W. Mich S F Fdy. . . . .	.15c	Q	6-28	Wilkes-Barre D&S Bak. 50c	Q	8-1	6-24	Company	Rate.	Rec.
Cent Shear Stamp. . . . .	.15c	Q	7-1	6-20	Holiday Inn . . . . .	.25c	Q	8-1	6-21	Bozeman (Mont.) 3/4% pf. rel. 1935	.15c	Q	10-1	6-24	W. Mich S F Fdy. . . . .	.15c	Q	6-28	Wilkes-Barre D&S Bak. 50c	Q	8-1	6-24	Company	Rate.	Rec.
Cent Shear Stamp. . . . .	.15c	Q	7-1	6-20	Holiday Inn . . . . .	.25c	Q	8-1	6-21	Bozeman (Mont.) 3/4% pf. rel. 1935	.15c	Q	10-1	6-24	W. Mich S F Fdy. . . . .	.15c	Q	6-28	Wilkes-Barre D&S Bak. 50c	Q	8-1	6-24	Company	Rate.	Rec.
Centrifugal Pump 45c	Q		7-1	6-20	Holiday Inn . . . . .	.25c	Q	8-1	6-21	Bozeman (Mont.) 3/4% pf. rel. 1935	.15c	Q	10-1	6-24	W. Mich S F Fdy. . . . .	.15c	Q	6-28	Wilkes-Barre D&S Bak. 50c	Q	8-1	6-24	Company	Rate.	Rec.
Centrifugal Pump 45c	Q		7-1	6-20	Holiday Inn . . . . .	.25c	Q	8-1	6-21	Bozeman (Mont.) 3/4% pf. rel. 1935	.15c	Q	10-1	6-24	W. Mich S F Fdy. . . . .	.15c	Q	6-28	Wilkes-Barre D&S Bak. 50c	Q	8-1	6-24	Company	Rate.	Rec.
Centrifugal Pump 45c	Q		7-1	6-20	Holiday Inn . . . . .	.25c	Q	8-1	6-21	Bozeman (Mont.) 3/4% pf. rel. 1935	.15c	Q	10-1	6-24	W. Mich S F Fdy. . . . .	.15c	Q	6-28	Wilkes-Barre D&S Bak. 50c	Q	8-1	6-24	Company	Rate.	Rec.
Centrifugal Pump 45c	Q		7-1	6-20	Holiday Inn . . . . .	.25c	Q	8-1	6-21	Bozeman (Mont.) 3/4% pf. rel. 1935	.15c	Q	10-1	6-24	W. Mich S F Fdy. . . . .	.15c	Q	6-28	Wilkes-Barre D&S Bak. 50c	Q	8-1	6-24	Company	Rate.	Rec.
Centrifugal Pump 45c	Q		7-1	6-20	Holiday Inn . . . . .	.25c	Q	8-1	6-21	Bozeman (Mont.) 3/4% pf. rel. 1935	.15c	Q	10-1	6-24	W. Mich S F Fdy. . . . .	.15c	Q	6-28	Wilkes-Barre D&S Bak. 50c	Q	8-1	6-24	Company	Rate.	Rec.
Centrifugal Pump 45c	Q		7-1	6-20	Holiday Inn . . . . .	.25c	Q	8-1	6-21	Bozeman (Mont.) 3/4% pf. rel. 1935	.15c	Q	10-1	6-24	W. Mich S F Fdy. . . . .	.15c	Q	6-28	Wilkes-Barre D&S Bak. 50c	Q	8-1	6-24	Company	Rate.	Rec.
Centrifugal Pump 45c	Q		7-1	6-20	Holiday Inn . . . . .	.25c	Q	8-1	6-21	Bozeman (Mont.) 3/4% pf. rel. 1935	.15c	Q	10-1	6-24	W. Mich S F Fdy. . . . .	.15c	Q	6-28	Wilkes-Barre D&S Bak. 50c	Q	8-1	6-24	Company	Rate.	Rec.
Centrifugal Pump 45c	Q		7-1	6-20	Holiday Inn . . . . .	.25c	Q	8-1	6-21	Bozeman (Mont.) 3/4% pf. rel. 1935	.15c	Q	10-1	6-24	W. Mich S F Fdy. . . . .	.15c	Q	6-28	Wilkes-Barre D&S Bak. 50c	Q	8-1	6-24	Company	Rate.	Rec.
Centrifugal Pump 45c	Q		7-1	6-20	Holiday Inn . . . . .	.25c	Q	8-1	6-21	Bozeman (Mont.) 3/4% pf. rel. 1935	.15c	Q	10-1	6-24	W. Mich S F Fdy. . . . .	.15c	Q	6-28	Wilkes-Barre D&S Bak. 50c	Q	8-1	6-24	Company	Rate.	Rec.
Centrifugal Pump 45c	Q		7-1	6-20	Holiday Inn . . . . .	.25c	Q	8-1	6-21	Bozeman (Mont.) 3/4% pf. rel. 1935	.15c	Q	10-1	6-24	W. Mich S F Fdy. . . . .	.15c	Q	6-28	Wilkes-Barre D&S Bak. 50c	Q	8-1	6-24	Company	Rate.	Rec.
Centrifugal Pump 45c	Q		7-1	6-20	Holiday Inn . . . . .	.25c	Q	8-1	6-21	Bozeman (Mont.) 3/4% pf. rel. 1935	.15c	Q	10-1	6-24	W. Mich S F Fdy. . . . .	.15c	Q	6-28	Wilkes-Barre D&S Bak. 50c	Q	8-1	6-24	Company	Rate.	Rec.
Centrifugal Pump 45c	Q		7-1	6-20	Holiday Inn . . . . .	.25c	Q	8-1	6-21	Bozeman (Mont.) 3/4% pf. rel. 1935																

space, more than doubled the size of corporation's facilities.

Brill (J. G.) (5-9-40)—Company announced receipt of order for eight fifty-nine-passenger electric motor cars for Philadelphia Suburban Transportation Company.

Celanese (6-27-40)—Preferred stockholders have approved increase in authorized indebtedness from \$20,000,000 to \$50,000,000 in connection with an expansion program over the next few years.

Champion Paper and Fibre (5-23-40)—Company's \$3,500,000 paper plant has started operations in Houston, Texas. New mill has an estimated capacity of 120 tons a day of machine-coated paper and other grades of uncoated paper.

Chrysler (6-20-40)—K. T. Keller, president, disclosed that this company had formed a special ordnance-manufacturing division to handle munitions orders. Educational contracts already received, he said, included almost \$500,000 worth of work on such items as fuse-bomb noses, forging and machining shells and the making of cartridge cases.

This was in addition to the "thousands of Dodge trucks and reconnaissance cars which we have already made and are now making for the Army. Preparations also were being made for manufacture of other major equipment for the Army" which I do not feel at liberty to discuss at this time."

Mr. Keller declared that Chrysler Corporation alone could take care of the entire present forward demands of the United States Army for trucks for national-defense purposes.

Continental Motors (6-8-40)—Navy Department has awarded a \$1,442,275 contract to this company for engines.

Copperfield Steel (11-30-39)—Company has filed a registration statement with SEC in connection with the contemplated offering, subject to favorable market conditions, of a maximum of 75,000 shares of additional common stock.

Net proceeds from proposed offering of common stock will be devoted partly to the discharge of a \$500,000 bank loan and partly for additions to the company's general funds representing reimbursements for capital expenditures and additions to working capital.

Curtiss-Wright (6-13-40)—Curtiss propeller division will double its present propeller manufacturing facilities by beginning construction early in July of a factory on a site adjoining Caldwell-Wright Airport, near Caldwell, N. J.

Douglas Aircraft (6-27-40)—Transcontinental and Western Air, Inc., placed an order with this company for fifteen modernized DC-3s with seating capacity for twenty-four passengers as against twenty-one for the present model. Order involved an outlay of more than \$1,500,000. Nine of the ships were scheduled for delivery before Dec. 31, 1940, and the remaining six were to be delivered in Spring of 1941.

Eastman Kodak (2-22-40)—War Department has awarded a \$242,560 contract to this company for panoramic telescopes.

Empire Ordnance—This company, recently formed by Empire Securities, Inc., which controls Willys Overland Motors, Inc., is scheduled to start manufacture of ordnance at Pencoyd, Pa., property, acquired from Carnegie-Illinois Steel Corporation, within two or three weeks. Principal products will be guns of medium caliber—75 to 155 mm.—both field and anti-aircraft types.

Fairchild Aviation (6-27-40)—Taylorcraft, subsidiary, stockholders have approved creation of 60,000 shares of preferred stock, of which 30,000 would be issued presently and offered publicly. They also approved an increase in common from 350,000 shares of \$1 par, of which 198,344 were outstanding, to 500,000 shares to allow for conversion of the preferred.

Ford Motor (6-27-40)—W. S. Knudsen, member of the National Defense Advisory Commission, announced termination of negotiations with this company for the manufacture of Rolls-Royce airplane engines because Henry Ford had refused to undertake a contract for 6,000 units with the Allied Purchasing Commission.

It had been proposed that Ford make 6,000 engines for Great Britain and 3,000 for the United States Government. Mr. Ford said he would manufacture any quantity of engines or airplanes for the United States, but none for England. The commission, Mr. Knudsen added, would seek cooperation elsewhere in the production of this "important military equipment."

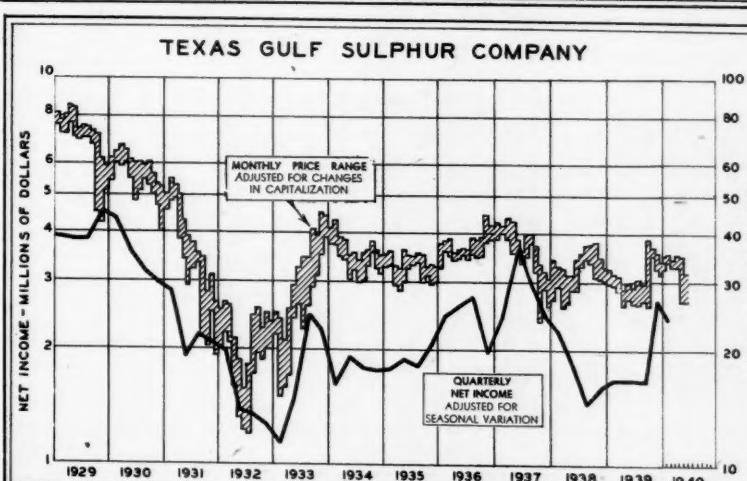
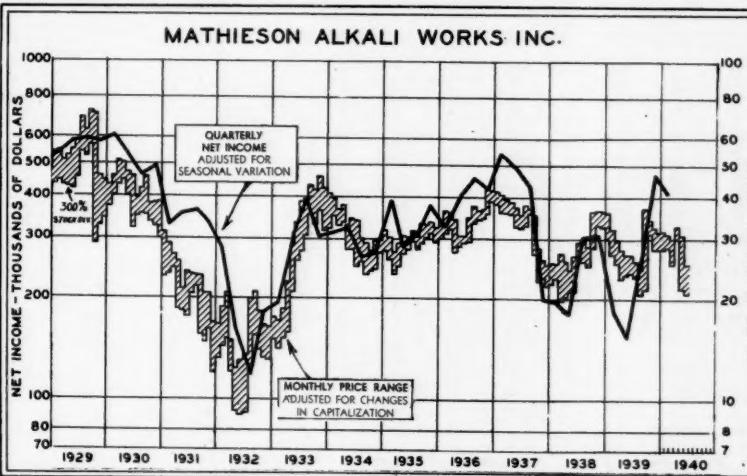
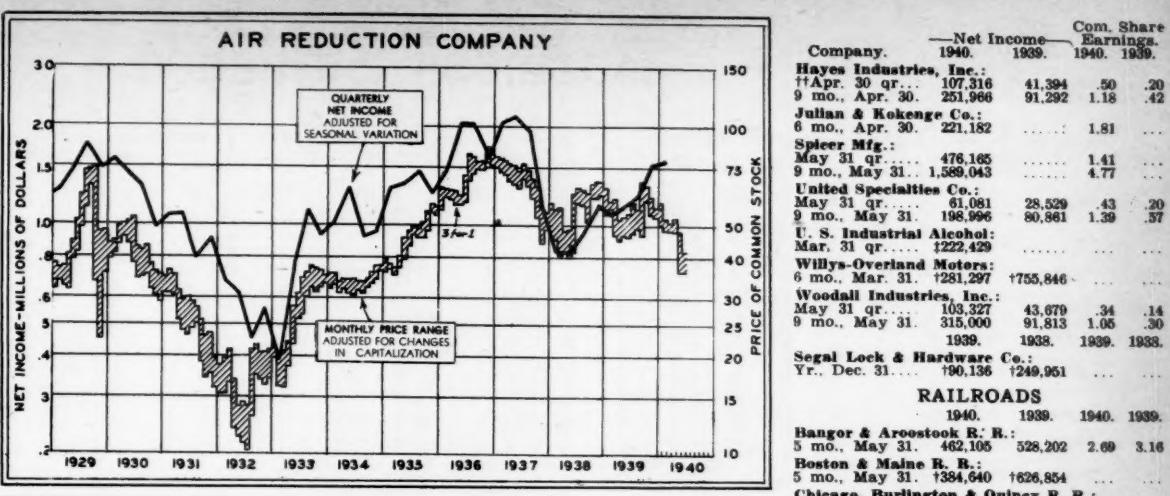
General Electric (6-20-40)—Company announced receipt of order from Georgia Power Company for a 60,000-kw. turbine generator.

A new electric brake, similar to those used on streamlined locomotives, has been developed by this company for use on electric or Diesel type buses.

General Motors (6-27-40)—New agreement between this company and United Automobile Workers of America (C.I.O.) has been signed in Detroit after approval by all but one of the locals in the fifty-four plants it covered.

Delco appliance division has received a \$32,500 War Department contract for antiaircraft gunfire-control appliances.

Inland Steel (6-13-40)—Company has confirmed recent report from Brazil that it had



been tendered an order for 22,500 tons of rails and accessories by the Rio Grande do Sul Railway. It is understood that the sale, if consummated, will be financed in part by United States Export-Import Bank.

Company has received an order for 14,880 tons of rail from Chesapeake & Ohio Railroad Co. and New York, Chicago & St. Louis Railroad Co.

International Shoe (6-27-40)—Army announced award of contract to this company for 75,000 pairs of shoes at \$2.475 a pair and 19,752 pairs at \$2.535 a pair.

Lubbe-Owens-Ford (2-22-40)—Company announced purchase of a controlling interest in Plaskon Co., Inc., with plants in Toledo and Grasselli, N. J. Plaskon Co. produces urea-formaldehyde compositions used in plastic products.

Liggett & Myers (3-21-40)—Company announced an advance of 30 cents a thousand in prices of Chesterfield and Piedmont cigarettes to compensate for the increased Federal tax effective July 1, 1940.

Lockheed (6-13-40)—Company's program calls for additions to Burbank plants sufficient to double existing capacity at a cost of \$4,000,000.

Lorillard (2-23-40)—Company has raised price of its Old Gold cigarettes by 28 cents a thousand to \$6.53, effective July 1, 1940. Price of Sensation, the 10-cent brand, has been advanced 30 cents to \$5.05, while all other brands have been raised a similar amount.

Mack Trucks (4-25-40)—Company announced that recent orders received for buses totaled

\$3,000,000. It was understood that this business covered a period of 90 days.

Martin (Glenn L.) (6-20-40)—G. L. Martin, president of company, disclosed that contracts in hand amounted to \$110,000,000 plus

Continued on Page 27

CORPORATE NET EARNINGS INDUSTRIES

Company.	Net Income—1940.	Com. Share Earnings—1939.	Net Income—1940.	Com. Share Earnings—1939.
American Box Board Co.: 24 wks., May 17	\$82,576	\$47,207	5.37	\$0.08
American Car & Foundry Co.: Yr., Apr. 30...	10,777	1,662,692	...	...
American Forging & Socket Co.: May 31 qr...	39,063	25,865	.17	.11
American Fork & Hoe: Yr., Apr. 30...	1,041,606	554,294	1.61	.66
Austin, Nichols & Co., Inc.: Yr., Apr. 30...	193,726	200,737	...	...
Bethel Creamery Co.: May 31 qr...	221,962	349,173	.26	.60
Booth Fisheries Corp.: Yr., Apr. 27...	153,503	53,317	a.87	p.2.98
Collins & Aikman Corp.: June 1 qr...	741,085	134,633	1.22	...
Cosden Petroleum Corp.: Yr., Apr. 30...	178,723	203,066	.15	...
Gossard Co., H. W.: 6 mo., May 31...	155,461	188,385	.85	.86
Great Atlantic & Pacific Tea: Yr., Feb. 29...	18,683,571	15,533,783	8.07	6.72
National Tea				
4 wks., June 15...	4,549,749	4,154,412	9.5	
24 weeks	28,308,448	25,139,280	12.6	

CHAIN STORE SALES

Kroger Grocery and Baking

	P. C.
1940.	1939. Gained.
4 wks., June 15...	\$18,358,563 9.8
24 weeks	118,052,576 110,018,922 7.3
Company had 3,872 stores in operation, or 45 fewer than year earlier.	
National Tea	
4 wks., June 15...	4,154,412
24 weeks	25,139,280 12.6

NOTE: THE ANNALIST uses for these pages the following standing footnote: "Subject to revision. All other footnotes appear immediately below each table. Latest revised data given for previous week or month, and year.

THE ANNALIST INDEX OF BUSINESS ACTIVITY

	1940			1939		
	May	Apr.	Mar.	Feb.	Jan.	Dec.
Freight car loadings...	87.5	83.8	81.2	82.9	92.5	77.8
Miscellaneous.....	81.3	77.5	77.4	84.3	91.7	74.8
Other.....	100.4	96.4	88.9	100.7	96.3	102.8
Elec. power prod.....	105.3	103.9	105.2	104.5	106.3	106.0
Manufacturing.....	105.4	96.1	99.8	106.1	117.5	125.3
Steel ingot prod.....	100.9	92.6	95.2	113.7	141.5	125.7
Pig iron production.....	106.7	97.4	97.9	109.4	151.4	134.4
Titanium.....	116.6	111.6	110.2	118.3	130.5	135.7
Cotton consumption.....	130.7	124.4	119.8	134.3	145.2	152.3
Wool consumption.....	97.1	83.4	86.7	102.4	121.4	121.9
Silk consumption.....	41.0	45.6	41.9	45.5	52.6	45.2
Rayon consumption.....	127.4	129.4	128.2	110.0	112.1	133.8
Boot and shoe prod.....	105.7	106.3	113.5	125.7	130.0	138.6
Automobile prod.....	114.5	106.2	99.9	102.3	95.8	73.0
Lumber production.....	78.8	75.2	80.1	83.0	90.5	92.4
Cement production.....	46.7	69.2	73.1	61.8	71.4	82.0
Mining.....	91.2	84.9	95.4	93.1	91.1	91.8
Zinc production.....	90.0	91.3	91.9	92.9	92.6	90.6
Lead.....	93.5	72.0	102.5	93.6	97.6	83.4
Combined index.....	99.8	95.4	96.6	91.1	105.3	110.0

For back figures, 1938 and 1939, see THE ANNALIST of April 25, 1940, page 601. Table 19; for seasonal indices for 1939 see THE ANNALIST of July 6, 1939, page 17. Table 20; for 1940 see THE ANNALIST of April 4, 1940, page 497. Table 19. Silk index for June is 36.9.

RATE OF OPERATIONS IN THE STEEL INDUSTRY

Week Ended:	Dow-Jones		Amer. Steel Indep. Total	Begin. Stk. Inv.	Iron & Steel Inst.	Week Ended:	N. Y. Steel Inst.	Times As of:	Iron Met. Amt. Mkt.
	U. S.	Total							
July 10, 1940	34%	43%	39%	July 3, 1939	33.5	July 8, 42	39	July 4, 40	38
May 13, 37	68%	68	May 6, 65.8	67	May 11, 66%	67	May 7, 66%	66	
May 20, 72%	73	73	May 13, 70	70	May 18, 70	70	May 14, 70	70	
May 27, 77	75%	76	May 20, 73.0	75	May 25, 75	74	May 21, 74	73	
June 3, 83%	77	80	May 27, 76.9	78	June 1, 78	79	May 28, 78	77	
June 10, 84%	82	83	June 3, 80.3	81	June 8, 81%	81	June 4, 80%	81	
June 17, 87	84	85	June 10, 84.6	86	June 15, 85%	86	June 11, 85%	85	
June 24, 89	87%	87	June 17, 87.5	88	June 22, 88	87%	June 18, 87	88	
July 1, 91	87%	87	June 24, 86.5	87	June 29, 89	87%	June 25, 88	87	
July 8, 91	87%	87	July 1, 74.1	74	July 6, 75	74			

OIL REFINERY ACTIVITY AND STOCKS (18)

(Estimated for entire industry; thousands of barrels. P. C. of capacity, reporting companies only. Gasoline production, including cracked, straight run and natural blended. Petroleum stocks estimated from Bureau of Mines data. Gasoline stocks include both finished and unfinished gasoline.)

Week Ended:	Avg.	P. C. of	Total	Stocks	Crude Runs to Stills	Avg.	P. C. of	Total	Stocks	Crude Production	Avg.	P. C. of	Total	Stocks
June 24, 1940	3,430	84.3	272,297	81,733	11,648	3,430	84.3	272,297	81,733	11,648	3,430	84.3	272,297	81,733
May 11, 1940	3,620	85.8	11,401	267,079	101,317	5,658	86.3	11,523	257,647	101,015	5,658	86.3	11,523	257,647
May 18, 1940	3,695	86.3	11,491	267,079	101,015	5,658	86.3	11,498	259,530	100,297	5,658	86.3	11,498	259,530
May 25, 1940	3,580	84.1	11,498	267,079	101,015	5,658	85.8	11,793	261,662	100,353	5,658	85.8	11,627	259,706
June 1, 1940	3,600	89.3	11,600	267,079	101,015	5,658	86.3	11,767	259,800	97,660	5,658	86.3	11,767	259,800
June 8, 1940	3,620	94.8	11,767	267,079	101,015	5,658	94.8	11,767	267,079	97,660	5,658	94.8	11,767	267,079
June 15, 1940	3,690	95.6	12,085	267,079	101,015	5,658	95.6	12,085	267,079	92,276	5,658	95.6	12,085	267,079

CRUDE OIL PRODUCTION (18)

(Average daily barrels; excluding "hot," or illegally produced, oil)

Bur. of Mines Est'd	Needs in June 22	Week Ended:	Needs in June 24	Week Ended:	Needs in June 24	Week Ended:	Needs in June 24	Week Ended:	Needs in June 24	Week Ended:	Needs in June 24	Week Ended:	Needs in June 24	Week Ended:
Texas—Panhandle	66,250	69,500	66,250	73,750	70,100	70,100	73,750	70,100	73,750	70,100	73,750	70,100	73,750	70,100
North	33,150	32,250	33,150	29,500	27,750	27,750	29,500	27,750	29,500	27,750	29,500	27,750	29,500	27,750
East	82,400	92,900	82,400	97,000	107,000	107,000	97,000	107,000	97,000	107,000	97,000	107,000	97,000	107,000
Southwest	243,650	223,850	243,650	234,300	214,100	214,100	234,300	214,100	234,300	214,100	234,300	214,100	234,300	214,100
Total	1,344,600	1,399,700	1,308,850	1,408,600	1,420,750	1,420,750	1,420,750	1,420,750	1,420,750	1,420,750	1,420,750	1,420,750	1,420,750	1,420,750
Oklahoma	408,600	420,750	408,600	420,750	420,750	420,750	420,750	420,750	420,750	420,750	420,750	420,750	420,750	420,750
Kansas	159,000	178,500	166,000	178,500	178,500	178,500	178,500	178,500	178,500	178,500	178,500	178,500	178,500	178,500
Nebraska	100	100	100	100	100	100	100	100	100	100	100	100	100	100
North La. Coastal La.	274,700	222,800	196,500	274,700	222,800	196,500	274,700	222,800	196,500	274,700	222,800	196,500	274,700	222,800
Arkansas	66,700	72,450	56,500	66,700	72,450	56,500	66,700	72,450	56,500	66,700	72,450	56,500	66,700	72,450
Mississippi	7,000	11,600	11,600	7,000	11,600	11,600	7,000	11,600	11,600	7,000	11,600	11,600	7,000	11,600
Illinois	395,600	502,000	233,850	395,600	502,000	233,850	395,600	502,000	233,850	395,600	502,000	233,850	395,600	502,000
Indiana	8,000	11,100	95,600	8,000	11,100	95,600	8,000	11,100	95,600	8,000	11,100	95,600	8,000	11,100
Michigan	96,400	91,450	95,600	96,400	91,450	95,600	96,400	91,450	95,600	96,400	91,450	95,600	96,400	91,450
Wyoming	73,000	78,250	61,350	73,000	78,250	61,350	73,000	78,250	61,350	73,000	78,250	61,350	73,000	78,250
Montana	18,300	17,850	15,950	18,300	17,850	15,950	18,300	17,850	15,950	18,300	17,850	15,950	18,300	17,850
Colorado	4,000	3,950	4,050	4,000	3,950	4,050	4,000	3,950	4,050	4,000	3,950	4,050	4,000	3,950
New Mexico	106,700	104,100	106,600	106,700	104,100	106,600	106,700	104,100	106,600	106,700	104,100	106,600	106,700	104,100
California	593,700	607,200	606,600	593,700	607,200	606,600	593,700	607,200	606,600	593,700	607,200	606,600	593,700	607,200
Total U. S. 3,620,300	3,846,450	3,452,800	5	Total U. S. 3,620,300	3,846,450	3,452,800	5	Total U. S. 3,620,300	3,846,450	3,452,800	5	Total U. S. 3,620,300	3,846,450	3,452,800

ELECTRIC POWER PRODUCTION WEEKLY (7)

(Thousands of kilowatt-hours; includes only power generated by the electric light and power industry proper and imports. Does not include power generated by traction companies)

Week Ended:	1940	1939	1938

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18

U. S. FOREIGN TRADE SUMMARY (5)

(Thousands of dollars. Merchandise exports include re-exports; merchandise imports include both for consumption and for storage in bonded warehouses. Adjusted data on average daily basis, adjusted for seasonal variation by THE ANNALIST)

	Merchandise			Gold			Silver		
	Total Exports	General Exports	Adjusted Exports	Ex-ports	Im-port	Ex-ports	Im-port	Ex-ports	Im-port
1939.									
January	12,911	175,241	34,665	7,037	5,879	81	156,446	1,771	10,328
February	215,715	158,072	57,527	5,123	15	222,296	2,054	9,927	7,873
March	267,781	190,481	77,501	8,744	5,857	53	365,136	1,923	5,284
April	230,974	186,296	44,678	7,744	6,094	231	606,027	605,796	2,054
May	249,466	202,493	46,973	8,322	6,625	36	429,440	429,404	611
June	236,064	178,922	57,142	8,525	5,899	19	240,450	240,431	303
July	229,064	168,924	60,139	8,504	5,730	9	278,645	278,636	640
August	250,842	175,614	52,228	9,195	5,976	13	259,934	259,921	937
September	288,573	181,461	107,112	9,163	6,057	15	326,089	326,074	1,292
October	331,990	215,289	106,796	9,353	6,924	15	69,740	69,725	1,773
November	292,583	235,500	57,083	8,755	7,592	10	167,991	167,981	487
December	367,819	246,792	121,027	10,855	8,119	11	451,183	451,172	887
1940.									
January	369,506	241,897	126,686	12,213	7,979	22	26,413	23,391	452
February	346,995	199,794	147,201	11,989	6,618	53	201,475	201,422	298
March	351,263	216,732	134,531	11,457	6,664	18	459,845	459,827	657
April	324,018	212,238	111,780	10,865	6,943	33	249,885	249,851	594
May	325,306	211,382	113,924	10,852	6,916	3,563	438,695	435,132	177

19

U. S. FOREIGN TRADE BY ECONOMIC GROUPS (5)

(Thousands of dollars)

	Domestic Exports					Imports for Consumption				
	Crude Materials	Mfd. Food-stuffs	Semi-finished	Crude Materials	Mfd. Food-stuffs	Semi-finished	Crude Materials	Mfd. Food-stuffs	Semi-finished	Total
1939.										
January	36,390	16,493	14,607	35,412	107,358	210,280	53,930	26,774	31,225	36,390
February	36,486	11,402	15,151	34,567	118,252	216,157	48,145	22,947	38,635	36,486
March	39,337	12,287	15,673	45,694	51,004	263,965	59,544	28,205	52,577	39,337
April	26,016	9,510	13,811	41,033	136,953	227,624	24,033	25,037	37,936	26,016
May	30,259	10,808	16,119	48,245	104,688	245,119	26,886	26,062	34,111	30,259
June	25,713	6,026	13,495	45,462	139,647	233,965	54,725	22,518	38,633	25,713
July	29,471	4,671	15,048	45,534	138,888	205,441	21,797	31,912	38,378	29,471
August	36,499	8,324	15,551	50,504	133,817	248,151	30,925	30,925	35,651	36,499
September	66,547	7,477	20,309	58,963	129,115	284,041	67,606	19,465	38,412	66,547
October	78,449	10,213	27,547	64,537	142,422	323,168	70,500	24,896	27,722	45,416
November	58,308	7,272	16,592	62,219	142,851	287,042	27,881	21,777	48,614	40,795
December	64,264	7,784	16,558	75,661	193,183	232,738	86,770	25,665	29,788	55,619
1940.										
January	62,183	7,257	20,449	75,535	173,830	359,064	95,700	24,703	23,216	52,000
February	61,113	8,722	22,470	71,355	178,596	338,639	70,420	23,838	23,138	58,567
March	46,752	6,006	17,855	73,506	198,418	344,589	77,880	25,636	22,612	53,996
April	40,886	6,314	15,744	81,766	161,510	316,520	73,125	25,052	42,447	32,810
May	40,277	4,005	10,960	74,490	188,319	318,051	70,866	26,085	27,215	43,337

20

NATIONAL INCOME PAYMENTS (5)

(Adjusted for seasonal variation; 1929=100)

	Total					Non-farm				
	1940.	1939.	1937.	1936.	1935.	1940.	1939.	1937.	1936.	1935.
Jan.	89.5	83.9	86.5	75.8	69.0	84.4	83.3	86.2	76.4	69.8
Feb.	88.4	83.0	87.6	75.6	70.0	88.8	84.4	85.2	77.2	70.4
Mar.	87.1	84.1	82.0	89.9	77.7	70.0	88.4	82.4	88.6	70.3
Apr.	86.7	83.0	81.0	89.6	75.8	70.8	87.7	83.8	81.5	70.7
May	87.0	83.4	89.3	79.8	70.3	88.5	84.3	80.7	89.7	70.4
June	84.1	80.0	90.1	73.1	70.2	85.4	80.7	90.2	93.5	70.7
July	83.7	80.2	90.5	88.3	70.0	85.5	80.8	90.4	88.3	70.9
Aug.	85.4	81.3	91.0	83.5	72.1	86.1	82.5	91.0	84.1	72.0
Sept.	86.8	81.8	89.6	82.6	72.9	87.1	82.8	80.0	82.9	72.1
Oct.	88.0	82.6	88.8	84.8	74.2	88.2	85.2	82.9	84.9	73.6
Nov.	88.5	83.1	86.7	85.8	75.0	88.9	84.2	87.5	85.9	74.3
Dec.	89.5	83.4	84.9	87.2	75.9	89.9	84.7	86.3	88.7	75.5

21

FABRICATED STEEL PLATE BOOKINGS (5)

(Short tons)

	Refinery					Tank Cars					Stock and Blast Furnaces				
	Oil Storage Tanks	Materials	Equipment	Holders	Gas	Crude	Materials	Equipment	Holders	Furnaces	Crude	Materials	Equipment	Holders	Furnaces
1939.	Total	34,036	10,976	4,128	389	380	18,163								
May															
1940.															
January	33,804	9,781	2,636	411	1,190	19,786									
February	25,824	5,254	3,407	30	2,123	15,010									
March	35,435	12,282	4,096	579	1,176	17,302									
April	36,213	6,643	2,982	4,686	2,907	18,995									
May	40,408	15,590	4,726	117	1,262	18,713									

22

ESTIMATED UNEMPLOYMENT (22)

(Thousands)

	Negative unemployment, where shown, is the statistical result of the temporary employment of persons not ordinarily employed—notably in agriculture—thus causing the actual number of employed to be in excess of the normal labor force.)											
	1940.	1939.	1938.	1937.	1936.	1935.	1940.	1939.	1938.	1937.	1936.	1935.
Jan.	9,163	10,012	10,328	7,574								

Stock and Bond Market Averages and Volume of Trading

The Annalist Weighted Averages of Group Leaders

	June 27			June 28			June 29			Cal. Wks.			July 1			July 2			July 3		
	High.	Low.	Last.	High.	Low.	Last.	High.	Low.	Last.	High.	Low.	Range	High.	Low.	Last.	High.	Low.	Last.	High.	Low.	Last.
97 Stocks	37.9	37.4	37.8	39.3	38.1	38.3	38.4	38.1	38.2	39.3	36.8	38.2	37.9	38.0	38.3	37.8	37.9	38.2	37.7	37.8	38.0
74 Industrials	125.8	124.6	125.5	130.2	126.5	127.1	127.4	126.5	126.7	130.2	122.8	126.9	125.8	126.4	127.2	125.7	126.0	126.9	125.1	126.2	126.2
4 Steels	31.2	31.0	31.2	32.5	31.8	32.0	32.0	31.1	31.8	32.5	30.4	31.8	31.5	31.6	32.0	31.5	31.5	31.6	31.2	31.4	31.4
4 Motors	56.1	55.4	56.1	57.6	56.4	56.8	57.1	56.4	56.6	58.6	54.4	56.9	55.6	56.1	56.4	55.6	55.6	55.6	55.6	55.6	55.6
5 Motor accessories	31.6	31.2	31.6	33.1	32.0	32.1	32.2	32.0	32.0	33.1	31.0	32.1	31.7	31.8	32.0	31.5	31.5	31.6	31.8	31.8	31.8
5 Aircrafts	34.7	33.6	34.3	36.5	34.3	35.4	34.6	34.1	34.3	37.0	33.4	34.3	33.5	33.6	34.0	33.5	33.5	33.6	32.9	32.9	32.9
2 Building	26.3	26.1	26.3	27.5	26.1	26.8	26.8	26.5	26.8	27.5	26.1	27.0	26.8	26.8	27.0	26.8	26.8	27.0	26.8	27.0	27.5
4 Chemicals	117.3	116.6	117.0	119.3	117.0	117.6	117.6	117.0	117.3	121.7	115.3	121.7	117.0	117.0	117.0	117.0	117.0	117.0	117.0	117.0	117.0
4 Nonferrous metals	33.8	32.8	33.0	34.4	33.0	33.0	33.2	32.8	33.0	34.4	32.5	33.0	32.6	32.6	32.8	32.1	32.1	32.6	32.6	32.6	32.6
3 Foods	19.8	19.6	19.8	20.1	19.6	20.1	20.0	20.0	20.0	21.0	19.8	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.1	20.1	20.1
3 Tobaccos	66.5	66.4	66.5	67.9	66.5	67.5	67.5	67.8	67.8	67.8	65.9	67.6	67.5	67.5	67.6	67.6	67.6	67.6	67.6	67.6	67.6
3 Sugars	18.7	18.2	18.7	18.7	18.7	18.7	18.6	18.6	18.6	19.5	18.2	19.1	19.1	19.1	19.1	19.1	19.1	19.1	19.1	19.1	19.1
2 Electrical equipments	48.0	47.2	47.6	50.7	48.8	48.8	48.8	48.0	48.4	50.7	48.0	48.4	47.6	47.6	48.4	47.2	47.6	47.6	47.2	47.6	47.6
3 Farm equipments	36.0	36.0	36.0	37.1	36.3	36.3	36.3	36.3	36.3	37.1	35.4	36.3	36.3	36.3	36.3	36.0	36.0	35.4	35.7	35.7	35.7
4 Office equipments	12.9	12.8	12.8	13.2	13.0	13.1	13.1	13.1	13.1	13.3	12.6	13.0	12.9	12.9	12.9	12.8	12.9	13.1	12.9	13.0	13.0
4 Railroad equipments	19.8	18.5	19.6	20.1	20.1	20.1	20.0	20.0	20.0	21.0	19.5	20.0	20.0	20.0	20.0	20.0	20.0	20.1	20.1	20.1	20.1
4 Amusement	10.9	10.6	10.7	11.6	10.8	11.1	11.3	11.1	11.2	11.6	10.4	11.0	10.7	10.7	11.2	10.8	10.8	11.0	10.7	10.8	10.8
5 Merchandise	44.4	43.8	44.4	45.5	44.4	44.7	44.8	44.3	44.4	45.9	43.3	44.4	44.3	44.4	44.7	44.4	44.4	44.5	44.5	44.5	44.5
3 Rubber and tires	24.0	23.7	23.7	25.3	23.7	23.7	24.0	23.4	23.4	22.7	24.3	24.0	24.0	24.0	23.7	23.7	23.7	23.7	23.7	23.7	23.7
2 Liquor	16.7	16.7	17.5	17.2	17.2	17.2	17.2	17.2	17.2	17.5	16.2	17.2	17.2	17.2	17.7	17.2	17.7	17.2	17.3	17.3	17.3
4 Standard oils	19.0	18.5	18.7	19.5	18.5	18.6	18.8	18.5	18.5	19.5	18.3	18.5	18.8	18.8	18.8	18.6	18.6	18.9	18.9	18.9	18.9
4 Independent oils	38.5	37.9	38.2	39.2	38.3	38.3	38.3	38.2	38.2	39.2	37.7	38.3	38.0	38.2	38.2	37.9	38.2	38.2	38.2	38.2	38.2
8 Oils	57.5	56.4	56.9	58.7	56.8	56.9	57.1	56.7	56.7	56.7	55.7	57.2	56.5	57.0	57.0	56.5	56.8	57.1	57.1	57.1	57.1
10 Rails	21.5	20.8	21.2	22.6	21.6	21.6	21.9	21.7	21.8	22.6	20.2	21.8	21.4	21.4	21.7	21.5	21.6	21.6	21.6	21.6	21.6
5 Air transports	17.7	17.2	17.6	18.6	17.9	18.0	17.9	17.8	17.8	18.6	16.4	17.7	17.4	17.5	17.8	17.3	17.6	17.9	17.9	17.9	17.9
8 Utilities	19.0	18.7	18.8	19.5	19.6	19.6	19.6	19.6	19.6	20.5	18.0	19.2	19.3	19.4	19.1	19.2	19.3	19.1	19.2	19.2	19.2

The New York Times Stock Market Averages

MONTHLY HIGH, LOW AND LAST

	25 Railroads			25 Industrials			50 Stocks			1940			1939			1938			1937		
	High.	Low.	Last.	High.	Low.	Last.	High.	Low.	Last.	High.	Low.	Range	High.	Low.	Last.	High.	Low.	Last.	High.	Low.	Last.
1939.	26.35	22.97	22.62	192.03	171.5	178.7	109.94	96.06	100.74	168.6	154.7	157.5	158.0	153.1	164.6	159.5	135.5	139.4	241.6	224.2	240.8
January	24.90	22.27	24.64	183.35	176.66	182.38	104.12	99.52	103.51	171.2	161.7	169.5	168.4	159.5	139.5	141.6	139.5	139.5	214.6	205.2	214.5
February	25.69	19.88	20.02	189.43	164.30	164.7	107.51	92.09	92.44	162.9	143.2	149.8	141.1	129.8	139.5	132.8	132.8	132.8	205.8	202.0	204.0
March	21.40	18.03	19.68	186.53	151.56	163.56	94.96	84.79	91.62	162.3	143.9	162.1	162.1	152.8	143.9	141.2	141.2	141.2	205.4	201.2	205.4
April	21.97	19.49	21.61	174.73	161.66	173.90	98.35	90.63	97.70	160.5	141.9	121.2	121.2	119.5	121.2	119.5	119.5	119.5	205.4	201.2	205.4
May	21.71	19.29	19.51	177.93	165.21	177.93	99.75	92.25	93.32	164.0	141.0	162.7	162.7	153.9	141.0	140.2	140.2	140.2	205.4	201.2	205.4
June	22.87	19.49	21.98	184.81	167.99	181.77	103.84	93.54	101.87	174.0	153.6	188.6	188.6	174.0	153.6	153.6	153.6	153.6	235.0	213.0	235.0
July	22.66	19.67	21.67	186.21	167.47	173.24	104.43	93.11	96.45	174.0	153.6	188.6	188.6	174.0	153.6	153.6	153.6	153.6	235.0	213.0	235.0
August	22.66	18.75	21.67	186.20	166.08	184.30	118.30	105.01	108.59	174.0	153.6	188.6	188.6	174.0	153.6	153.6	153.6	153.6	235.0	213.0	235.0
September	27.66	18.76	21.73	180.90	160.58	180.90	114.27	102.00	112.73	174.0	153.6	188.6	188.6	174.0	153.6	153.6	153.6	153.6	235.0	213.0	235.0
October	26.89	21.11	25.72	199.66	181.14	195.31	105.15	98.55	106.51	174.0	153.6	188.6	188.6	174.0	153.6	153.6	153.6	153.6	235.0	213.0	235.0
November	25.97	23.67	23.79	185.80	165.88	185.80	106.86	98.55	106.86	174.0	153.6										

Banking Statistics—Brokers' Loans—Gold Reserves

Statement of the Federal Reserve Banks

(Thousands)

ASSETS	Combined Federal Res. Banks			N. Y. Federal Res. Bank		
	June 26, 1940.	June 19, 1940.	June 23, 1939.	June 26, 1940.	June 19, 1940.	June 28, 1939.
Gold certificates on hand and due from United States Treasury	\$17,653,476	\$17,536,475	\$13,505,719	\$8,845,071	\$8,784,902	\$6,413,539
Redemption fund—Federal Reserve notes	10,862	11,191	8,313	1,311	1,597	1,169
Other cash	378,780	371,023	367,337	106,127	106,765	100,066
Total reserves	\$18,043,118	\$17,918,689	\$13,881,389	\$8,952,509	\$8,893,264	\$6,514,774
Bills discounted:						
Secured by United States Government obligations, direct and guaranteed	704	691	1,575	120	190	747
Other bills discounted	1,557	1,501	3,795	242	196	1,051
Total bills discounted	\$2,261	\$2,192	\$5,370	\$362	\$386	\$1,798
Bills bought in open market						
Industrial advances	8,975	9,011	12,440	2,004	2,010	2,835
U. S. Govt. securities, direct and guaranteed:						
Bonds	1,343,183	1,343,183	911,000	402,946	402,946	256,076
Notes	1,130,125	1,130,125	1,176,100	339,030	339,030	330,565
Bills						
Total United States Government securities, direct and guaranteed	\$2,473,308	\$2,473,308	\$2,550,637	\$741,976	\$741,976	\$716,898
Total bills and securities	\$2,484,544	\$2,484,511	\$2,569,003	\$744,342	\$744,372	\$721,744
Due from foreign banks						
Federal Reserve notes of other banks	18,489	20,642	18,886	1,624	2,000	4,677
Uncollected items	656,231	586,226	583,822	171,610	196,707	144,245
Bank premises	41,490	41,536	42,405	9,920	9,820	8,950
Other assets	54,067	53,019	46,718	15,469	15,106	13,815
Total assets	\$21,297,976	\$21,323,670	\$17,142,390	\$9,895,391	\$9,864,286	\$7,408,080
LIABILITIES						
Federal Reserve notes in actual circulation	\$5,144,450	\$5,103,916	\$4,449,306	\$1,369,821	\$1,357,273	\$1,105,203
Deposits:						
Member bank—Reserve account	13,722,819	13,712,233	10,115,744	7,524,016	7,536,248	5,433,249
United States Treasurer—General account	300,610	296,212	962,094	93,433	86,225	282,366
Foreign bank	658,879	659,828	351,065	229,788	244,410	125,206
Other deposits	480,897	438,487	326,133	396,267	354,797	233,335
Total deposits	\$15,163,005	\$15,108,760	\$11,755,066	\$8,242,504	\$8,211,680	\$6,044,156
Deferred availability items	629,569	700,662	585,798	158,120	171,220	136,847
Other liabilities, including accrued dividends	5,788	5,301	6,066	1,687	1,616	2,677
Total liabilities	\$20,942,810	\$20,968,639	\$16,796,836	\$9,772,796	\$9,741,789	\$7,288,883
CAPITAL ACCOUNTS						
Capital paid in	\$137,103	\$137,097	\$135,037	\$51,033	\$51,039	\$50,866
Surplus (Section 7)	151,720	151,720	149,152	53,326	52,326	52,463
Surplus (Section 13b)	26,839	26,839	27,284	7,109	7,109	7,457
Other capital accounts	39,504	39,175	34,101	11,127	11,023	8,411
Total liabilities and capital accounts	\$21,297,976	\$21,323,670	\$17,142,390	\$9,895,391	\$9,864,286	\$7,408,080
Ratio of total reserves to deposit and Federal Reserve note liabilities combined	88.8%	88.7%	85.7%	93.1%	92.9%	91.1%
Commitments to make industrial advances	\$8,762	\$8,587	\$11,175	\$820	\$822	\$2,232

Statement of Member Banks

(Principal resources and liabilities of reporting member banks in 101 leading cities; millions of dollars)

LOANS—	All Reporting			Chicago			New York City		
	June 26, 1940.	June 19, 1940.	June 28, 1939.	June 26, 1940.	June 19, 1940.	June 28, 1939.	June 26, 1940.	June 19, 1940.	June 28, 1939.
Business*	4,387	3,883	426	425	350	1,688	1,672	1,384	
Open market	309	309	303	19	18	16	99	99	114
Stock market:									
Brokers	395	413	648	24	24	34	276	294	496
Other	467	470	543	63	63	72	159	160	201
Total	862	885	1,191	87	87	106	454	457	697
Real estate	1,202	1,199	1,161	18	18	13	122	122	113
Banks	38	48	51				32	41	40
Other	1,625	1,618	1,550	49	49	51	377	376	390
Total loans	8,435	8,444	8,089	599	597	536	2,753	2,764	2,743
INVESTMENTS									
Treasury bills	771	785	431	254	272	185	414	409	172
Treasury notes	2,054	2,058	2,112	160	160	234	1,014	1,000	811
U. S. bonds	6,377	6,383	5,880	714	714	627	2,521	2,519	2,189
Govt. guaranteed	4,408	4,200	2,148	134	134	1,289	1,270	1,087	
Other securities	3,536	3,526	3,291	348	346	338	1,266	1,270	1,131
Total invest.	15,146	15,152	13,862	1,450	1,626	1,522	6,524	6,477	5,390
Total loans and investments	23,581	23,586	21,951	2,209	2,223	2,058	9,277	9,241	8,133
Reserve with F. R. Bk.	11,669	11,585	8,479	1,184	1,159	906	6,729	6,745	4,864
Cash in vault	504	499	455	43	40	30	85	80	68
Bank to bank domes. bks.	3,272	3,279	2,756	268	267	235	82	81	77
Other assets, net				42	41	47	322	326	379
Demand deposits ad. 20,681	20,495	17,220	1,923	1,897	1,688	9,621	9,541	7,578	
Time deposits	5,312	5,306	5,237	508	504	493	671	668	625
Government deposits	580	582	555	84	84	60	44	43	60
Interbank deposits:									
Domestic banks	8,425	8,534	6,747	952	959	741	3,739	3,787	2,891
Foreign banks	678	687	600	7	7	13	625	633	521
Other liabilities				16	15	30	301	300	363
Capital account				254	254	266	1,494	1,501	1,483

*Officially designated "Commercial, industrial and agricultural loans."

(Millions of dollars. Data for New York City and 140 Other Leading Centers available since 1919)

Week Ended	13 Weeks Ended		
	June 26,	June 26,	June 26,
Federal Reserve District:	1940.	1939.	1940.
Boston	440	418	5,917
New York	3,217	3,736	47,544
Philadelphia	397	384	5,717
Cleveland	546	468	7,208
Richmond	300	273	4,015
Atlanta	232	206	3,916
Chicago	1,158	1,473	16,126
St. Louis	224	224	3,368
Minneapolis	146	139	2,309
Kansas City	248	242	3,274
Dallas	185	173	2,680
San Francisco	642	584	8,605
Total, 274 reporting centers	7,743	8,359	110,265
New York City	2,887	3,392	43,403
140 other leading centers	4,179	4,366	57,753
133 other centers	676	601	9,099
			8,246

MONEY RATES IN NEW YORK WEEKLY

Time Loans	Prime			Bankers' Acceptances		
	Call Loans	60-90 Days	4-6 Months	4-6 Months	180 Days	180 Days
High. Low.	Avg.	High. Low.	Avg.	High. Low.	Avg.	High. Low.
1940.	1.00	1.00	1.14	1.25	1.14	1.50
June 8.	1	1	1.00	1.14	1.25	1.50
June 15.	1	1	1.00	1.14	1.25	1.50
June 22.	1	1	1.00	1.14	1.25	1.50
June 29.	1	1	1.00	1.14	1.25	1.50

*New York Stock Exchange. †Asked rate. ‡Average of renewal rate.

Condition of Federal Reserve Banks

At Close of Business June 26, 1940

District.	Total Reserve	Discounted	Total U. S. Govt. Secur.	F. R. Notes in Circula'tn.	Due Members	(Thousands)	

Stock Transactions—New York Stock Exchange

For Week Ended Saturday June 29.

Bid and Asked Quotations on June 29 for Issues Not Traded In

Earnings per share as reported by Standard Statistics Company of New York: Full face—Calendar years 1939 and 1938 or earlier and including fiscal years ending through Jan. 31, 1940. Light face—all current earnings.

Partly extra.

plus or payable in stock.

Figure 6. High and low column

represent asked and bid prices of

Line 28.

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Stock Transaction—New York Stock Exchange—Continued

For Calendar Week Ended—

• 200 •

Stock Transactions—New York Stock Exchange—Continued

For Calendar Week Ended—

Stock Transactions—New York Stock Exchange—Continued

— Calendar Week Ended —

Bond Transactions — New York Stock Exchange

For Week Ended Saturday, June 29

UNITED STATES GOVERNMENT BONDS

Quotations after decimal point represent 32ds of a point.

TREASURY BONDS

	Sales	Net
Range 1940.	in 1000s.	
High. Low.	High. Low. Last. Chge.	
104.24 102.22 3% 43-41 Mch	2 102.31 102.31 102.31 Odd	
105.17 103.19 2% 41-42 reg	103.22 103.22 103.22 + .1	
104.24 102.22 3% 43-41 reg	102.22 102.22 102.22 + .1	
110.21 107.12 3% 45-43 reg	108.18 108.18 108.18 .3	
109.30 107.11 3% 45-43 reg	108.18 108.18 108.18 .3	
110.21 107.30 3% 46-44 reg	109.17 109.6 109.14 + .14	
110.14 107.29 3% 46-44 reg	109.10 109.4 109.10 + .9	
115.8 111.18 4% 44-44	113.10 113.8 113.8 + .8	
108.98 106.20 2% 47-45	108.18 108.16 108.16 + .17	
111.4 108.16 2% 47-45	111.3 111.8 111.8 + .18	
111.29 108.26 2% 48-48	110.26 110.26 110.26 + .14	
121.6 117.2 4% 52-47	119.14 119.7 119.12 .2	
105.30 102.28 2% 47	104.20 104.15 104.15 + .15	
109.19 105.24 2% 51-48	108.9 107.23 106.8 + .11	
108.31 105.13 2% 48	108 108 + .12	
104.24 101.13 2% 50-48	103.20 103.20 103.20 + .22	
111.14 107.14 2% 48-48	111.2 111.2 111.2 + .1	
107.2 105.2 2% 48-48	104.20 104.20 104.20 + .17	
107.3 103.4 2% 52-50	105.15 105.15 105.15 + .18	
108.30 104.16 2% 54-51	107.10 107.20 107.10 + .4	
111.30 107.20 2% 55-51	110.3 109.16 109.27 - .9	
104.23 101.7 2% 53-51	102.30 103.9 103.20 + .4	
109.16 104.20 2% 60-55	107.18 106.26 107.18 - .1	
105.16 102.20 2% 60-55	105.20 105.25 105.25 + .19	
108.12 105.24 2% 59-58	106 106.10 105.24 106.10 + .13	
108.1 103.12 2% 63-58	106.14 106.14 106.12 .2	

FEDERAL FARM MORTGAGE BONDS

	Sales	Net
105.15 103.16 3% 47-42	104.4 104.4 104.4 + .2	
105.2 103.20 3% 47-42	104.2 104.2 104.2 + .9	
108.24 105.22 3% 44-44	107.10 107.10 107.10 + .7	
108.21 105.20 3% 49-44	107.14 107.14 107.14 -.1	

HOME OWNERS LOAN BONDS

	Sales	Net
104.25 103.1 2% 44-42	103.25 103.10 103.25 + .24	
105.12 105.4 3% 52-42	107.5 106.25 107.5 + .7	
102.12 105.5 1% 47-45	101.25 101.20 101.23 + .5	

NEW YORK CITY BONDS

	Sales	Net
97% 88% 3s 80	1,932 95% 94% 95	

CORPORATION BONDS

	Sales	Net
57% 37% ABITIBI P & F 53	21 32% 31% 31% + 1	
108% 100 Adams Exp 44% 46	105 105 105	
110% 100 Alm Git Sos 5s 43	9 109% 108% 109% - %	
87 68% Alb & Sons 3% 46	70 70 + 1%	
60 45% Alb P Wrap 6s	45 45 - 5	
89 68% Alleghany cv 6s 44	77% 75 76% - %	
75 68 Alleghany cv 6s 49	88 66% 65% + 2%	
47% 24% Allis Chalm 5% st	53 53 57% - %	
107% 104 Alleg Val 4s 42	108% 105% 105% + %	
101% 99 Allied Stars 4% 50	99% 99% 99% - %	
99% 80 Allied Stars 4% 51	90 89% 89% - %	
111 106 Allis Chalm cv 4s 52	109% 108% 109% + %	
68% 45% Am & For P 5s 2030	50 46% 49% - %	
105% 90% Am Int 5% 49	75 102 102 + %	
109% 90% Am Int 5% 49	8 98 98 + 2	
104% 90% Am T & S 4% 45	101 101 101 + %	
110% 103 Am T & S 4% 66	103 103 103 + %	
110% 104 Am T & S 3% 61	105 108 108 + %	
96 98 Am W W & E 6s 75	102 102 102 + %	
107% 102 Anacards Cop 4% 50	104 102 102 - 1	
50 32 Ann Arbor 4% 95	40 40 40 + %	
104% 98 Arm Del 4s 57	100% 98% 100% + 1%	
107% 95 Arm Del 4s 58	99 99 + 2	
107% 104 Arm T & S 4% 55 reg	101 101 101 + %	
89 75% At & T S F 4% 95 st	112 112 112 + %	
97% 90% At & T S F 1905-55	105 108% 108% + %	
105% 100 At & T S F 4% 48	103 102 102 - 1	
109% 104% At & T S F 5% L 48	110% 110% 110% + %	
105% 104% At & T S F 5% C A 62	106 106 106 + %	
99% 55% At & T S F 5% 44	94 94 93% + %	
77 64% At C Line 1st 4s 52	103 102 102 + %	
70 55 At C Line 4s 52	62 60% 60% + 2%	
62 41 At C Line 4% 64	48 46% 48% + 2%	
76 61% At C Line 5s 45	72 61% 61% + 1%	
41 28 Atl & Dan 1st 4s 48	33 32 33 + 1	
75% 62% Atl Gu & Ws 59	58 28% 27% - %	
102% 102 Atl Refin 3s 83	67% 67% 67% + %	
90% 32 Austin & Ws 41	90% 90% 90% + %	

	Sales	Net
69% 55 B & O 1st mtg 48 st.	41 67 65 66	
28 15% B & O 95 st A	203 25 27 + 1%	
15% 18 B & O 95 st C	304 27 29% + 1%	
27% 15% B & O 2000 st D	162 25 27 + 1%	
23% 15% B & O 95 st F	102 25 27 + 1%	
70% 70% B & O 1st mtg 48 st	122 120 120 + 1%	
70% 55% B & O 1st mtg 48 st	67 65% 65% + 1%	
49% 49% B & O 2000 st D	88 67% 65% + 1%	
49% 32% B & O S W 50 st	17 55 53% - 1	
22 43% B & O F & W V 51 st	22 43% 40% + 1%	
21 48% B & O F & W V 51 st	62 60% 59% + 1%	
21 48% B & O F & W V 51 st	21 48% 46% + 2%	
35 32% B & O F & W V 51 st	31 24% 21% + 1%	
41 28 Atl & Dan 1st 4s 48	20 33 32 + 1	
75% 62% Atl Gu & Ws 59	5 28 27% - %	
102% 102 Atl Refin 3s 83	106% 105% 105% + %	
90% 32 Austin & Ws 41	90% 90% 90% + %	

	Sales	Net
69% 55 B & O 1st mtg 48 st.	41 67 65 66	
28 15% B & O 95 st A	203 25 27 + 1%	
15% 18 B & O 95 st C	304 27 29% + 1%	
27% 15% B & O 2000 st D	162 25 27 + 1%	
23% 15% B & O 95 st F	102 25 27 + 1%	
70% 70% B & O 1st mtg 48 st	122 120 120 + 1%	
70% 55% B & O 1st mtg 48 st	67 65% 65% + 1%	
22 43% B & O F & W V 51 st	22 43% 40% + 1%	
21 48% B & O F & W V 51 st	62 60% 59% + 1%	
35 32% B & O F & W V 51 st	31 24% 21% + 1%	
41 28 Atl & Dan 1st 4s 48	20 33 32 + 1	
75% 62% Atl Gu & Ws 59	5 28 27% - %	
102% 102 Atl Refin 3s 83	106% 105% 105% + %	
90% 32 Austin & Ws 41	90% 90% 90% + %	

	Sales	Net
69% 55 B & O 1st mtg 48 st.	41 67 65 66	
28 15% B & O 95 st A	203 25 27 + 1%	
15% 18 B & O 95 st C	304 27 29% + 1%	
27% 15% B & O 2000 st D	162 25 27 + 1%	
23% 15% B & O 95 st F	102 25 27 + 1%	
70% 70% B & O 1st mtg 48 st	122 120 120 + 1%	
70% 55% B & O 1st mtg 48 st	67 65% 65% + 1%	
22 43% B & O F & W V 51 st	22 43% 40% + 1%	
21 48% B & O F & W V 51 st	62 60% 59% + 1%	
35 32% B & O F & W V 51 st	31 24% 21% + 1%	
41 28 Atl & Dan 1st 4s 48	20 33 32 + 1	
75% 62% Atl Gu & Ws 59	5 28 27% - %	
102% 102 Atl Refin 3s 83	106% 105% 105% + %	
90% 32 Austin & Ws 41	90% 90% 90% + %	

	Sales	Net
69% 55 B & O 1st mtg 48 st.	41 67 65 66	
28 15% B & O 95 st A	203 25 27 + 1%	
15% 18 B & O 95 st C	304 27 29% + 1%	
27% 15% B & O 2000 st D	162 25 27 + 1%	
23% 15% B & O 95 st F	102 25 27 + 1%	
70% 70% B & O 1st mtg 48 st	122 120 120 + 1%	
70% 55% B & O 1st mtg 48 st	67 65% 65% + 1%	
22 43% B & O F & W V 51 st	22 43% 40% + 1%	
21 48% B & O F & W V 51 st	62 60% 59% + 1%	
35 32% B & O F & W V 51 st	31 24% 21% + 1%	
41 28 Atl & Dan 1st 4s 48	20 33 32 + 1	
75% 62% Atl Gu & Ws 59	5 28 27% - %	
102% 102 Atl Refin 3s 83	106% 105% 105% + %	
90% 32 Austin & Ws 41	90% 90% 90% + %	

	Sales	Net

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Bond Transactions—New York Stock Exchange—Continued

1940 Range High. Low.	Sales in 1000s. High. Low. Last. Chge.	Net in 1000s. High. Low. Last. Chge.	1940 Range High. Low.	Sales in 1000s. High. Low. Last. Chge.	Net in 1000s. High. Low. Last. Chge.	1940 Range High. Low.	Sales in 1000s. High. Low. Last. Chge.	Net in 1000s. High. Low. Last. Chge.
20 11 NYNRH 4s 47	* 2 12 12 12 + 1	102% 94 Simmons cv 4s 52	52 100 99% 100 + 1	14% 11% Chile 7s 42 asd.	* 1 11% 11% + 1	14% 11% Chile 7s 42 asd.	1 11% 11% + 1	14% 11% Chile 7s 42 asd.
204 11 NYNRH 4s 55	* 18 13 12 12 - 1	106% 102% Soceny-Vac 3s 64	36 105% 104% 105% + 1	14% 10% Chile 6s 60 asd.	* 7 13 13 + 1	14% 10% Chile 6s 60 asd.	13 13 + 1	14% 10% Chile 6s 60 asd.
204 10 NYNRH 4s 56	* 8 13 12 12 + 1	115 115 See & Nor Als 5s 63	10 115 115 115 - 5	17% 12% Chile 6s 61 Jan.	* 6 13 13 + 1	17% 12% Chile 6s 61 Jan.	13 13 + 1	17% 12% Chile 6s 61 Jan.
62% 2% NYNRH 4s 62	* 20 14 13 12 - 1	109% 104 See Bell T & T 3s 62	7 100 99% 100% + 1	14% 10% Chile 6s 61 Feb asd.	* 6 11% 11% + 1	14% 10% Chile 6s 61 Feb asd.	11 11 + 1	14% 10% Chile 6s 61 Feb asd.
5% 10% N Y R Gas 6s 51 A	* 9 10 10 10 + 1	108% 105% See Cal Gas 4s 61	14 100 99% 100% + 1	14% 10% Chile 6s 61 Sept asd.	* 1 12% 12% + 1	14% 10% Chile 6s 61 Sept asd.	11 11 + 1	14% 10% Chile 6s 61 Sept asd.
106% 10% N Y Steam 3s 63	* 35 102% 102% 102% + 1	111 107% See Cal Gas 4s 65	13 110 110 110 + 1	14% 10% Chile 6s 62 asd.	* 1 11% 11% + 1	14% 10% Chile 6s 62 asd.	11 11 + 1	14% 10% Chile 6s 62 asd.
14 54 N Y S & W gen 40**	* 2 7% 7% 7% - 1	106% 105% See Col Pow 4s 47	6 105% 105% 105% + 1	14% 10% Chile 6s 63 asd.	* 1 11% 11% + 1	14% 10% Chile 6s 63 asd.	11 11 + 1	14% 10% Chile 6s 63 asd.
30 9 N Y S & W rig 5s 37	* 6 21 17 20 - 1	102% 97% Sou Kraft 4s 46	89 105% 104% 102% + 1	14% 10% Chile 6s 64 asd.	* 1 11% 11% + 1	14% 10% Chile 6s 64 asd.	11 11 + 1	14% 10% Chile 6s 64 asd.
62% 3% N Y T & Term 5s 43	* 14 110 109% 110 + 1	50% 30 Sou Pac 4s 68	54 39 36% 35% + 1	14% 10% Chile 6s 65 asd.	* 1 11% 11% + 1	14% 10% Chile 6s 65 asd.	11 11 + 1	14% 10% Chile 6s 65 asd.
111% 10% N Y W & Bos 4s 46	* 12 4 3% 3% - 1	50% 30 Sou Pac 4s 81	130 35% 36% 38 + 1	17% 14 Chilean Min 7s 60	* 2 10% 10% + 1	17% 14 Chilean Min 7s 60	14 14 + 1	17% 14 Chilean Min 7s 60
106% 10% N Y W & Bos 4s 46	* 11 2 3% 3% - 1	50% 30 Sou Pac 4s 69	132 38% 38% 38 + 1	14% 10% Chile 6s 66 asd.	* 2 10% 10% + 1	14% 10% Chile 6s 66 asd.	13 13 + 1	14% 10% Chile 6s 66 asd.
112 10% Niagara Falls F 3s 66	* 13 109% 109% 109% - 1	52% 32 Sou Pac rig 4s 55	132 35% 35% 35 + 1	34 15% Colombia 6s 61 Jan.	* 14 21% 21% + 1	34 15% Colombia 6s 61 Jan.	14 14 + 1	34 15% Colombia 6s 61 Jan.
104% 9% Niagara Falls cv 3s 50	* 8 101 100 100 - 1	48% 32 Sou Pac 3s 61	133 38% 35% 35 + 1	26% 20% Colombia Mt Bk 7s 47	* 3 20% 20% + 1	26% 20% Colombia Mt Bk 7s 47	13 13 + 1	26% 20% Colombia Mt Bk 7s 47
79 54% Norfolk & So 5s 41	* 3 63 63 63 + 1	55 42% Sou Pac 3s 46	53 49% 47% 49% + 2	32% 14 Copenhagen 5s 52	* 15 23% 23% + 1	32% 14 Copenhagen 5s 52	13 13 + 1	32% 14 Copenhagen 5s 52
17% 7% Norfolk Sou 5s 61 cl.	* 16 111 104 104 + 1	55 35 Sou Pac 4s 46	61 46 44% 45% + 1	55% 67 Cordoba Pv 4s 42	* 18 23% 23% + 1	55% 67 Cordoba Pv 4s 42	13 13 + 1	55% 67 Cordoba Pv 4s 42
14 54% Norfolk Sou 5s 61 cl.	* 16 109 104 104 + 1	55 35 Sou Pac 4s 46	61 46 44% 45% + 1	81% 70 Cuba 5s 45	* 12 7% 7% + 1	81% 70 Cuba 5s 45	12 12 + 1	81% 70 Cuba 5s 45
12% 17% Norfolk Sou 5s 61 cl.	* 14 123% 122% 123% - 1	55 35 Sou Pac 4s 46	40 74 73 74 + 1	102% 97% Cuba 5s (1940) 44	* 6 9% 9% + 1	102% 97% Cuba 5s (1940) 44	6 6 + 1	102% 97% Cuba 5s (1940) 44
108% 10% Nor Am Co 4s 59	* 37 106% 105% 106 + 1	50% 30 Sou Pac 4s 68	54 39 36% 35% + 1	62% 52 Cuba 4s 77	* 6 54% 54% + 1	62% 52 Cuba 4s 77	6 6 + 1	62% 52 Cuba 4s 77
106% 10% Nor Am Co 3s 54	* 24 105% 105% 105 + 1	50% 30 Sou Pac 4s 81	130 35% 36% 38 + 1	101% 94 Cuba 4s 49	* 5 94% 94% + 1	101% 94 Cuba 4s 49	5 5 + 1	101% 94 Cuba 4s 49
107% 10% Nor Am Co 3s 49	* 24 105% 105% 105 + 1	50% 30 Sou Pac 4s 69	132 38% 38% 38 + 1	14% 10% Czechos 5s 51	* 10 14% 14% + 1	14% 10% Czechos 5s 51	10 10 + 1	14% 10% Czechos 5s 51
100% 4% Nor Pac 5s 40	* 100% 100% 100% + 1	50% 30 Sou Pac 4s 69	133 35% 35% 35 + 1	73 20 DENMARK 4s 42	* 49 32% 32% + 1	73 20 DENMARK 4s 42	49 49 + 1	73 20 DENMARK 4s 42
50% 4% Nor Pac 5s 40	* 100% 100% 100% + 1	50% 30 Sou Pac 4s 69	135 35% 35% 35 + 1	18% 13% Denmark 5s 55	* 3 30% 30% + 1	18% 13% Denmark 5s 55	3 3 + 1	18% 13% Denmark 5s 55
55% 4% Nor Pac 5s 40	* 100% 100% 100% + 1	50% 30 Sou Pac 4s 69	136 35% 35% 35 + 1	55% 17% Denmark 4s 62	* 90 50% 50% + 1	55% 17% Denmark 4s 62	90 90 + 1	55% 17% Denmark 4s 62
49 33% Nor Pac 4s 2047	* 37 324% 324% 324% + 2	50% 30 Sou Pac 4s 69	138 35% 35% 35 + 1	65% 65 Dom Rep 5s 61 ext.	* 1 65 65 + 1	65% 65 Dom Rep 5s 61 ext.	1 1 + 1	65% 65 Dom Rep 5s 61 ext.
49 33% Nor Pac 4s 2047	* 59% 47% 47% + 1	50% 30 Sou Pac 4s 69	140 35% 35% 35 + 1	75% 14% Dom Rep 5s 26-40	* 1 15 15 + 1	75% 14% Dom Rep 5s 26-40	1 1 + 1	75% 14% Dom Rep 5s 26-40
70 50% Nor Pac 4s 97 reg.	* 69 65% 64% 64% + 1	50% 30 Sou Pac 4s 69	142 35% 35% 35 + 1	13% 8% EL SALVA 5s 48 ct.	* 2 8% 8% + 1	13% 8% EL SALVA 5s 48 ct.	2 2 + 1	13% 8% EL SALVA 5s 48 ct.
45% 10% Nor Pac 3s 2047 reg.	* 34 36% 35% 35% + 1	50% 30 Sou Pac 4s 69	144 35% 35% 35 + 1	80 40 FINLAND 6s 45	* 3 50% 50% + 1	80 40 FINLAND 6s 45	3 3 + 1	80 40 FINLAND 6s 45
100% 10% Nor Pac 3s 2047 reg.	* 29 109% 108% 108% + 1	50% 30 Sou Pac 4s 69	146 35% 35% 35 + 1	19% 9% Frankfort 6s 53	* 1 19% 19% + 1	19% 9% Frankfort 6s 53	1 1 + 1	19% 9% Frankfort 6s 53
110% 10% Nor Pac 3s 2047 reg.	* 29 109% 108% 108% + 1	50% 30 Sou Pac 4s 69	148 35% 35% 35 + 1	11% 8% French 7s 49	* 1 19% 19% + 1	11% 8% French 7s 49	1 1 + 1	11% 8% French 7s 49
8% 3% OGDEN & L CH A 48 48	* 17 6 5% 6% + 1	92 75% Texark & Ft Sm 5s 50	16 87 85 86 + 5	16 8% EL SALVA 5s 48 ct.	* 2 8% 8% + 1	16 8% EL SALVA 5s 48 ct.	2 2 + 1	16 8% EL SALVA 5s 48 ct.
110% 10% Ohio Ed 4s 67	* 1 107% 107% 107% + 1	108 103% Tex Corp 3s 51	25 100 99% 100% + 1	80 40 FINLAND 6s 45	* 3 50% 50% + 1	80 40 FINLAND 6s 45	3 3 + 1	80 40 FINLAND 6s 45
100% 10% Ohio Ed 4s 67	* 1 107% 107% 107% + 1	108 103% Tex Corp 3s 51	27 100 99% 100% + 1	19% 9% Frankfort 6s 53	* 1 19% 19% + 1	19% 9% Frankfort 6s 53	1 1 + 1	19% 9% Frankfort 6s 53
100% 10% Ohio Ed 3s 62	* 1 106% 105% 105% + 1	120 105% Tex Corp 3s 51	35 100% 100% 100% + 1	11% 8% French 7s 49	* 1 19% 19% + 1	11% 8% French 7s 49	1 1 + 1	11% 8% French 7s 49
110% 10% Oklahoma G & E 3s 66	* 14 103% 103% 103% + 1	122 53% Tex & Pac 5s 77 B	41 106% 105% 105% + 1	15% 15% GER C AG BK 7s 50	* 2 15 15 + 1	15% 15% GER C AG BK 7s 50	2 2 + 1	15% 15% GER C AG BK 7s 50
107 10% Oklahoma G & E 4s 46	* 14 104% 104% 104% + 1	122 53% Tex & Pac 5s 79 C	42 111% 112% 113% + 1	15% 15% GER C AG BK 60 Jul.	* 8 15% 15% + 1	15% 15% GER C AG BK 60 Jul.	8 8 + 1	15% 15% GER C AG BK 60 Jul.
107 10% Oklahoma G & E 4s 46	* 14 104% 104% 104% + 1	122 53% Tex & Pac 5s 80 D	6 62% 62% 62% + 1	19% 18% GER C AG BK 60 Oct.	* 8 15% 15% + 1	19% 18% GER C AG BK 60 Oct.	8 8 + 1	19% 18% GER C AG BK 60 Oct.
108% 90% One Pw N Fall 5s 43	* 18 94% 92% 92% + 1	25% 11% Third Ave 5s 60	1210 17% 16% 16% + 1	20% 81% Ger Gov 5s 65	* 120 19% 18% + 1	20% 81% Ger Gov 5s 65	120 120 + 1	20% 81% Ger Gov 5s 65
111% 10% Ore R & Nav 4s 46	* 37 109% 108% 108% + 1	62% 45% Third Ave 4s 60	47 55% 52% 53% + 1	55% 17% Ger Gov 5s 65 unstat.	* 12 15% 15% + 1	55% 17% Ger Gov 5s 65 unstat.	12 12 + 1	55% 17% Ger Gov 5s 65 unstat.
111% 10% Ore R & Nav 4s 46	* 13 105% 104% 104% + 1	107% 105% Tide Wat Asso 0 3s 52	9 107% 106% 106% + 1	25% 10% Ger Gov 7s 49	* 121 24% 23% + 2	25% 10% Ger Gov 7s 49	121 121 + 2	25% 10% Ger Gov 7s 49
111% 10% Ore R & Nav 4s 46	* 13 105% 104% 104% + 1	107% 105% Tide Wat Asso 0 3s 52	15 82% 84% 85% + 1	18% 14% Ger Gov 7s 49 unstat.	* 7 18% 18% + 1	18% 14% Ger Gov 7s 49 unstat.	7 7 + 1	18% 14% Ger Gov 7s 49 unstat.
77 68 Otrs Steel 4s 62 A	* 5 70 68% 68% + 1	67% 55% Toc & On Ces 3s 60	15 57% 55% 57% + 1	29% 26% Ger El 6s 48	* 5 27% 27% + 1	29% 26% Ger El 6s 48	5 5 + 1	29% 26% Ger El 6s 48
110% 105% PAC GAS & EL 3s 66	* 12 108% 107% 108% + 1	109% 104% UN EL Mo 3s 62	21 100% 108% 108% + 1	90% 75% HAITI 5s 52	* 6 75% 75% + 1	90% 75% HAITI 5s 52	6 6 + 1	90% 75% HAITI 5s 52
112% 10% Pac G & El 3s 61	* 52 112% 111% 111% - 1	104% 104% UNION Oil Cal 6s 59	2 109% 109% 109% + 1	17% 10% Heidelberg 7s 50	* 11 17% 17% + 1	17% 10% Heidelberg 7s 50	11 11 + 1	17% 10% Heidelberg 7s 50
113% 10% Pac G & El 3s 61	* 50 113% 112% 112% - 1	104% 104% UNION Oil Cal 3s 59	45 103% 102% 102% + 1	32% 20% Hungary 4s 50 Ext.	* 11 22% 21% + 1	32% 20% Hungary 4s 50 Ext.	11 11 + 1	32% 20% Hungary 4s 50 Ext.
110% 10% Pac T & 3s 66 C	* 6 109% 108% 108% + 1	115% 110% UN Pac 1s 47	42 111% 112% 113% + 1	11% 8% Ing M M 7s 55	* 1 11% 11% + 1	11% 8% Ing M M 7s 55	1 1 + 1	11% 8% Ing M M 7s 55
105 10% Panhandle 3s 47	* 100% 100% 100% + 1	104% 104% UNION Oil Cal 3s 59	43 100% 100% 100% + 1	18% 13% Ing M M 7s 55	* 1 11% 11% + 1	18% 13% Ing M M 7s 55	1 1 + 1	18% 13% Ing M M 7s 55
111% 10% Panhandle 3s 47	* 100% 100% 100% + 1	104% 104% UNION Oil Cal 3s 59	44 100% 100% 100% + 1	11% 8% Ing M M 7s 55	* 1 11% 11% + 1	11% 8% Ing M M 7s 55	1 1 + 1	11% 8% Ing M M 7s 55
111% 10% Panhandle 3s 47	* 100% 100% 100% + 1	104% 104% UNION Oil Cal 3s 59	45 100% 100% 100% + 1	11% 8% Ing M M 7s 55	* 1 11% 11% + 1	11% 8% Ing M M 7s 55	1 1 + 1	11% 8% Ing M M 7s 55
111% 10% Panhandle 3s 47	* 100% 100% 100% + 1	104% 104% UNION Oil Cal 3s 59	46 100% 100% 100% + 1	11% 8% Ing M M 7s 55	* 1 11% 11% + 1	11% 8% Ing M M 7s 55	1 1	

Transactions on the New York Curb Exchange

For Week Ended Saturday, June 29

Stocks and bonds marked with a dagger are fully listed on the Curb Exchange; others are dealt in as unlisted issues.

Range 1940 Stock and Dividend High. Low. Net

in Dollars. High. Low. Last. Chge. Sales.

224 13 ACME WIRE (.55e) 18 18 18 + 1/4 10

7 4 Air Corp S B (.48e) + 56 56 55 - 1/4 1,800

64 4 Ainsworth (4g) 4 4 4 4 300

14 10 Air Assoc (1g) 11 11 11 - 1/4 100

39 1 Air Investors 216 12 12 12 - 1/4 1,400

78 88 Alm Gi Soc (3e) 68 62 61 + 3/4 100

106 94 Alm Prod 58 pf (7) 101 98 100 + 1/4 150

95 94 Alm Prod 58 pf (6) 92 87 92 + 1/4 200

21 18 Allied Prod A (1%) 18 18 18 - 25

182 134 Alum Co Am (2e) 162 156 157 - 4 2,600

118 104 Alum Co Am pf (6) 113 111 113 - 1/4 100

114 54 Alum Ind (15e) 58 58 58 - 1/4 100

110 42 Alum Ltd (3e) 56 52 55 - 2/4 450

15 7 Am Beverage 37 36 37 - 1/4 100

49 36 Am Books (4) 4 4 4 4 100

78 4 Am Boat Board 28 28 28 - 1/4 100

35 254 Am C P&L A (3b) 30 28 28 - 1/4 50

11 1 Am Ch P&L B 14 14 14 - 1/4 1,900

36 31 Am Cyan A (60) 33 33 33 - 1/4 10

39 26 Am Cyan B (60) 34 34 33 + 1/4 9,600

194 84 Am Exp L (1g) 10 9 9 - 1/4 1,000

144 84 Am Fork & H (70e) 35 35 33 + 1/4 100

39 26 Am Gen & El (160) 35 35 33 + 1/4 5,000

13 22 Am Gen 28 28 28 - 1/4 300

31 22 Am Gen pf (2) 25 25 25 - 125

184 134 Am Laund Mech (80a) 14 14 14 - 100

164 118 Am Li & T (1.20) 14 14 14 - 3,700

18 1 Am Maracaibo 3 3 3 - 1/4 1,800

36 23 Am Meter (24e) 28 28 28 - 1/4 100

27 14 Am Nat Gas 28 28 28 - 1/4 100

27 14 Am Nat Gas A 28 28 28 - 1/4 4,000

27 14 Am Nat Gas G (90e) 72 72 72 - 1/4 2,400

98 57 Am P & L pf (7) 90 88 90 - 1/4 30

54 4 Ashid Oil & R (40) 4 4 4 4 700

14 1 Asso Gas Es 1 1 1 - 1/4 200

14 1 Asso G & E A 1 1 1 - 1/4 6,900

54 1 Asso G & E pf 28 28 28 + 1/4 2,600

14 1 Atl Coast Flights 28 28 28 + 1/4 1,000

23 12 Atl Coast Liner (1g) 15 13 13 - 1/4 100

22 Atla Corp War 1 1 1 - 1/4 6,100

2 Atla D Forge (20e) 21 21 21 - 1/4 200

14 1 Austin Silver M 1 1 1 - 1/4 1,000

1 1 Automat Prod 1 1 1 - 1/4 200

64 31 Auto V Mach (1g) 4 4 4 4 1,600

4 2 Aviation & Tran 27 27 27 - 1/4 1,600

53 34 Axton-Fish A 35 34 35 - 1/4 140

3 3 Ayrshire P Coll 3 3 3 3 - 100

30 18 BARCK & WILL (60e) 24 24 24 - 1/4 3,900

17 18 Bald Loco pf (2.10) 25 24 24 - 1/4 500

14 1 Baldwin Loco war 56 6 6 - 1/4 3,500

71 41 Baldwin Rub (1g) 4 5 5 - 1/4 800

11 1 Bar St Sd 9 9 9 - 1/4 900

71 2 Bar & Seal (1.20) 5 5 5 - 1/4 100

14 1 Basic Industries (4g) 5 5 5 - 1/4 100

184 92 Bath Iron Works (1/2e) 131 124 124 - 1/4 5,300

14 1 Battalions Corp 15 13 13 - 1/4 1,200

324 12 Bell Alrc 15 15 15 - 1/4 1,200

91 Bell Tel Can (8) 91 91 91 - 1/4 350

84 3 Bellanaire Aire 45 45 45 - 1/4 300

45 6 Bens & Heel pf 30 30 35 - 1/4 610

14 1 Berk & Gay Barn 1 1 1 - 1/4 600

40 40 Bering Oil (2.6) xd 38 32 38 - 25

23 12 Bliss (E W) 15 13 13 - 1/4 4,900

14 1 Blue Ridge 1 1 1 - 1/4 100

35 2 Blue Ridge cv pf (8h) 35 35 35 - 1/4 100

83 3 Blumenthal (8) 4 4 4 - 1/4 300

14 1 Bohack (H C) 1 1 1 - 1/4 500

45 2 Borne Strym (2e) 30 30 30 - 1/4 50

14 1 Burjord (1g) 51 51 51 - 1/4 300

29 2 Burros Bldg H 15 15 15 - 1/4 100

84 20 Brax Tr L & P 37 26 34 - 1/4 3,200

74 3 Breeze Corp 5 5 5 - 1/4 1,800

178 5 Brewst Aero 91 87 87 - 1/4 12,400

31 1 Bridget Mach 2 1 2 - 1/4 400

4 1 Brill A 24 24 24 - 1/4 200

21 20 Brill pf 20 21 21 - 1/4 1,000

14 1 Brillieng (80) 15 15 15 - 1/4 200

31 1 Brown Co pf 15 15 15 - 1/4 200

51 19 Brown F W 28 24 24 - 1/4 300

108 92 Buf N & E F pf (1.60) 198 184 194 - 1/4 1,000

108 904 Buf N & E F pf (5) 97 97 97 - 1/4 50

14 9 Bulk Hill & S (1/2e) 104 10 10 10 - 1/4 1,600

29 1 Burma Ltd (0.60e) 1 1 1 - 1/4 200

14 1 Burma Biscuit 7 7 7 - 1/4 200

24 1 Callicote Tung 1 1 1 - 1/4 1,000

54 56 Can Col Alwv 77 67 67 - 1/4 3,200

1 1 Can In Al A (1.5g) 11 11 11 - 1/4 100

14 1 Can Marconi (0.4e) 5 5 5 - 1/4 500

104 27 Carnation (1a) 34 34 34 - 1/4 100

86 84 Caro F&L pf (6) 102 97 102 - 1/4 80

109 974 Caro F&L pf (7) 105 105 105 - 1/4 30

15 16 Casco Corp 1 1 1 - 1/4 2,200

34 1 Catalina A (10e) xd 7 7 7 - 1/4 1,000

127 98 Celanese pfc pf (7a) 114 110 113 - 1/4 225

53 2 Celuloid 3 3 3 - 1/4 100

1 1 Cen & S W Ut 1 1 1 - 1/4 900

31 1 Cen Hud G&E (80) 14 14 14 - 1/4 700

105 13 Cen Hud Pf pf (5) 98 98 98 - 1/4 100

14 1 Cen Hud St (1.20) 98 98 98 - 1/4 500

115 92 Cen St El (5) 105 105 105 - 1/4 25

1 1 Cen St El 6% pf 1 1 1 - 1/4 375

84 3 Cen St El 7% pf 6 5 5 - 1/4 75

24 1 Cen St El cv pf 1 1 1 - 1/4 175

1 1 Cen St El cv pf n 1 1 1 - 1/4 125

13 10 Cherry-Bell (80) 105 105 105 - 1/4 250

127 12 Chf Flex Shaft (5a) 59 59 59 - 1/4 200

1 1 Chf Conv Mag 1 1 1 - 1/4 15

123 12 Childs pf 12 12 12 - 2 175

6 4 Cities Service 5 5 5 - 1/4 8,300

69 4 Citi Svc pf 62 62 62 - 1/4 2,000

122 45 City Svc B 15 15 15 - 1/4 100

115 92 City Auto Sip (90) 98 98 98 - 1/4 40

47 45 Claude Neon Lts 51 51 51 - 1/4 500

45 36 Cleve Ic Blown (2a) 37 36 37 - 1/4 250

7 4 Cleve Tract 4 4 4 - 1/4 400

29 4 Color Develop 4 4 4 - 1/4 1,600

28 4 Com Co A (1.20) 80 73 74 - 1/4 200

70 41 Com Co B (5) 116 116 116 - 1/4 1,400

81 1 Colem G&E B (5) 80 73 74 - 1/4 400

1 1 Comitw & S war 1 1 1 - 1/4 49,300

38 21 Comitw F Svc (1.30a) 25 23 25 - 1/4 650

1 1 Comm Wat Svc 1 1 1 - 1/4 400

18 11 Compo Sh M & vtc (1) 12 12 12 - 1/4 1,000

24 1 Compo Sh M & vtc (1) 12 12 12 - 1/4 1,000

53 53 Cohs G&E B (3.60) 74 72 74 - 2 900

120 111 C G&E Bpl B (4%) 115 115 115 - 1/4 50

14 1 Com Gas Ut 1 1 1 - 1/4 1,500

39 15 Com Mag & S (1a) 20 19 20 - 1/4 200

1 1 Com Royalty (20) 2 1 1 - 1/4 200

6 34 Com St Corp 3 3 3 - 1/4 300

98 84 Com St & E pf (7) 90 86 90 - 1/4 40

4 1 Com Roll Corp 64 64 64 - 1/4 500

11 14 Cooper-Bess 7 7 6 - 1/4 500

34 34 Copper Range 4 3 3 - 1/4 400

1 1 Cornes G Min. 5 5 5 - 1/4 600

1 1 Corroon & Ray 116 116 116 - 1/4 300

26 24 Costen Petro 116 116 116 - 1/4 200

13 64 Coopers Petre pf 7 7 7 - 1/4 100

25 10 LAKE SH M (1e) 100 100 100 - 1/4 2,100

4 12 Lake Shy M & F (4) 36 36 36 - 1/4 100

100 71 Lane Bryant pf (7) 91 91 91 - 1/4 10

35 21 Le Tournneau (1) 25 24 24 - 1/4 300

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Transactions on the New York Curb Exchange—Continued

Range 1940	Stock and Dividend in Dollars.	Net Sales.	
High.	Low.	Last.	Chge.
65 42 Royal Type (40)	47 44 47 + 3	350	
154 8 Rustic I & S (50e)	11 10% 10% + 1%	500	
24 12 Ryan Cos Pet	1% 1% 1% -	500	
2 Ryerson & Mayn	1% 1% 1% -	600	

24 ST REGIS PAP.	3% 2% 3 + %	13,900
81 45 St Regis Pap pf.	60 57 60 + 3	150
94 45 Salt Dome Oil	5% 4% 5 - %	500
14 2 Samson Unit	1% 1% 1% -	100
1 2 Seaway Oil Co (1)	10 10 10 -	100
34 22 Scovill Mfg (40e)	29% 25% 28% + 1%	800
53 44 Scranton B W Pf	50 44 50 - 3	75
94 45 Scullin Stl	6% 6% 6% -	300
1 2 Scullin Stl war	1% 1% 1% -	200
1 2 Segal Lock & H	1% 1% 1% -	4,000
81 34 Selberling Rub	4% 4% 4% -	1,000
6 2 Selected Indus	3% 2% 2% -	2,200
39 25 Selby Ind cv	3% 2% 2% + 1%	350
18 2 Semb Corp	43% 43% 43% + 1%	50
81 6 Seton Leather	6% 6% 6% -	100
62 45 Shat-Denn (10e)	4% 4% 4% -	600
100 62 Sherwin-Wm (15e)	7% 7% 7% + 3	1,150
114 106 Sher-Wm pf (5)	108% 108% 108% + 1%	30
54 14 Simmons H & P	5% 4% 4% -	3,100
1 15 Simplex Ind (60)	112 104 104 - 3%	150
154 104 Simon Mfg (6)	1% 1% 1% -	500
24 14 Sonofone (10e)	1% 1% 1% -	500
54 24 Soosa Mfg (064e)	3% 3% 3% -	100
44 25 So Penn Oil (12e)	32% 32% 32% + 1%	1,500
46 35 So Cal Ed pf (15a)	40 37% 40 + 5%	50
304 27 So C Ed B Pf (12)	29% 29% 29% + 1%	600
304 24 So C Ed C Pf (1%)	29% 28% 28% -	600
1 2 So Cal Corp (60)	7% 7% 7% -	1,000
2 16 So Pipe L (1e)	7% 7% 7% -	100
4 2 So Son Union Gas	3% 3% 3% -	100
20 14 So Un Gas A pf	17 16 17 + 1%	50
75 14 South Royal (15e)	5% 5% 5% -	1,700
2 14 Spalding	1% 1% 1% -	300
8 18 Spalding 1 pf	8% 8% 8% -	50
16 20 Stand C & S (60)	8% 8% 8% -	500
24 15 Stand Dredg (10e)	17 16 16 + 1%	300
14 24 Stand Dredg pf (1.60)	11 12 12 + 1%	200
11 75 Stand Inv pf	7% 7% 7% -	100
205 162 Stand Oil K (1)	18% 17% 17% -	1,100
414 25 Stand Oil Ohio (1)	31% 31% 31% -	400
1104 100 Stand Oil Ohle pf (5)	103 100% 103 + 1%	125
1 2 Stand Pow & Light	1% 1% 1% -	6,100
27 20 Stand Pow & L pf	24 24 24 + 3%	300
6 16 Stand Pow & L pf	7% 6% 6% -	400
40 19 Stand Steel Sp (18)	24 22 24 + 1%	300
1 12 Stand Tube B	1% 1% 1% -	500
1 2 Starrett Corp vtc	1% 1% 1% -	500
62 37 Steel Co Corp (18a)	40 39% 39% - 18	62
9 25 Steier Brew	5% 6% 6% -	100
34 17 Sterling Inc (20)	1% 1% 1% -	100
104 75 Stroock & Co.	8% 8% 8% -	200
13 26 Sullivan Machine	8% 8% 8% -	100
2 16 Sunray Oil (05e)	1% 1% 1% -	1,200
404 334 Sunray Oil cv pf (2%)	34 34 34 -	100

6 26 TAGGART	3 2% 3 + 1	1,000
36 25 Tampa Elec (2.24)	25 27 28 + 1	300
9 2 Tastykast A	1% 1% 1% -	500
1 1 Taylor (K) Dist	1% 1% 1% -	3,000
18 82 Technicolor (4%)	10% 9% 10% + 1%	200
114 103 Texas P. L. pf (7%)	103% 102% 103% + 1%	10
1 27 Texaco (20e)	7% 7% 7% -	500
15 74 Tex Roof (55a)	7% 7% 7% + 1%	500
59 482 Tob & Al Siks (1e)	50 50 50 -	100
54 372 Tob & Prod Ex (40g)	5% 4% 4% -	300
76 55 Todd Shipyards (13e)	66% 64% 64% - 2%	1,300
115 104 Toledo Ed 7% pf (7)	112 112 112 + 6%	10
109 95 Toledo Ed 7% pf (6)	104 104 104 + 1%	500
1 27 Topnotch Rain	1% 1% 1% -	100
1 2 Trans-Lux (10e)	1 1 1 -	500
2 2 Transwest Oil	2 2 2 -	400
3 2 Tri-Cont war	3% 3% 3% -	100
102 45 Tubize Chat	5% 5% 5% + 1%	100
39 20 Tubize Chat A (1e)	27% 27% 27% + 3%	50
3 14 Tun-Sol Lamp	1% 1% 1% -	200

6 26 UDVILITE CORP (30e)	5% 4% 4% - 1%	7,700
19 14 Union Fren P. S. (1)	16 16 16 + 1%	100
55 15 United Air Fr (10e)	11 10% 10% -	1,100
11 25 Unit Clk-Wh Strs	1% 1% 1% -	20,700
4 2 Unit Corp war	1% 1% 1% -	300
108 875 Unit Gas pf (42k)	19% 18% 18% + 1%	20,000
89 70 Unit G & E pf (7)	100% 99% 100% + 2%	900
1 11 Unit L & Pow A	1 1 1 -	100
1 12 Unit L & Pow B	1% 1% 1% -	1,300
39 27 Unit L & Pow pf	27% 26% 26% + 1%	8,900
27 20 Unit Milk Prod (12e)	21% 21% 21% + 1%	75
83 54 Unit Milk Prod (22a)	60% 60% 60% + 2%	1,100
45 394 Unit Show Mach pf (12e)	41% 41% 41% + 1%	300
71 31 Unit Specialists	5% 5% 5% -	200
71 47 U S & Int See	1% 1% 1% -	100
71 31 U S & Int See pf (14k)	47 47 47 -	100
7 75 U S Fol B	4% 4% 4% -	3,100
6 17 U S Lines pf	2% 2% 2% -	2,500
284 194 U S Plywood (30e)	21% 21% 21% + 1%	200
359 24 U S Rob Reed	2% 2% 2% -	500
2 12 Unit Wall Pap	1% 1% 1% -	2,000
64 25 Unit Corp vtc	3% 3% 3% -	100
24 15 Unit Insur (1)	16% 16% 16% + 1%	250
23 144 Unit Prod (80e)	16% 16% 16% + 1%	50
2 14 Utah-Idaho Sug	1% 1% 1% -	600
72 452 Utah L. pf (33k)	83% 82% 82% + 2%	425
19 14 Utah & Indus	1% 1% 1% -	500
14 18 Utility Equit	1% 1% 1% -	200

1% 2% VALSPAR CORP	1 1 1 -	100
21 Norm Fren T. (80)	25% 25% 25% + 1%	200
1% 2% Venezuela Pet.	3% 3% 3% -	200
12 7 Vogt Mfrs (40e)	8% 8% 8% -	100

3 WACO AIRC	4 4 4 - 1%	100
10 5 Wag's Bak vtc (4%)	8 8 8 + 2%	100
3 14 Walkers Min.	3% 3% 3% -	200
2 2 Wellington Oil	2 2 2 -	700
2 2 Westerm Mfrs	1% 1% 1% -	100

102 92 West Tex U. 10% pf (6)	90% 90% 90% + 1%	100
21 72 West Va. & C	100% 100% 100% + 1%	100
2 2 West Air Exp	4% 4% 4% -	7,500
64 72 Wichita R. Oil	5% 5% 5% -	300
4 2 Williams (R C)	4% 4% 4% -	300
92 54 Wilson-Jones (4%)	7% 7% 7% -	300
11 25 Wise P. L. pf (34k)	104% 104% 104% + 1%	20
4 2 Wolverine P. Cem	4% 3% 3% -	400
4 2 Wolverine T. (4%)	5% 5% 5% -	100
54 44 Woodley Pet. (40)	4% 4% 4% -	100

Range 1940	Stock and Dividend in Dollars.	Net Sales.	
High.	Low.	Last.	Chge.
12% 5 Woolworth (31e)	5% 5% 5% -	400	
6% 3% Wright Harg (40a)	3% 3% 3% -	2,000	

* In bankruptcy or receivership, or being reorganized under the Bankruptcy Act, or securities assumed by such companies. Stocks so marked are fully listed on the Curb Exchange; all others are dealt in on an unlisted trading basis. ^a Also extra or extended. ^b Accumulated dividends paid last year. ^c Under rule. ^d Without warrants. ^e War Warrants. ^f Unit of trading less than 100 shares; sales are given in full.

DOMESTIC BONDS

1940 Range	Sales in 1000s.	High.	Low.	Last.	Net Chge.
53 62 Nevada Cal E 5s 36	20	71%	67%	+	%
71 51 N Eng G&E 5s 40	15	63%	60%	-	%
71 51 N Eng G&E 5s 47	15	63%	60%	-	%
100% 93 N Eng Pow 5% 54	32	97%	95%	-	%

^a Also extra or extended. ^b Accumulated dividends paid last year. ^c Under rule. ^d Without warrants. ^e War Warrants. ^f Unit of trading less than 100 shares; sales are given in full.

1940 Range	Sales in 1000s.	High.	Low.	Last.	Net Chge.
100% 107% OGIDEN G 5s 45	2	109	109	109	+ 1%
109% 103% Ohio Pow 3% 48	29	109%	109%	109%	+ 1%
109% 104% Okla Nat Gas 3% 55	23	109%	109%	109%	+ 1%
110% 107% Oklahoma P. & W. 5% 50	1	107	107	107	+ 1%

^a Also extra or extended. ^b Accumulated dividends paid last year. ^c Under rule. ^d Without warrants. ^e War Warrants. ^f Unit of trading less than 100 shares; sales are given in full.

1940 Range</

Freight Traffic

Continued from Page 3

mission, the number of revenue passengers carried in coaches was 4.4 per cent higher and the number of revenue passengers carried in parlor and sleeping cars was 0.8 per cent greater than in the first quarter of 1939. In the first quarter, moreover, the average passenger traveled farther, so that the number of revenue passenger miles in coaches was 20.1 per cent greater and the number of revenue passenger miles in parlor and sleeping cars was 2.2 per cent higher than in the first quarter of 1939.

In April, nevertheless, for the first time since February, 1939, total passenger revenues were lower than in the corresponding period of the previous year. On a seasonally adjusted basis, they were lower than in any previous month since June, 1936, partly, no doubt, because of the general business recession, which also caused a decrease of 14 per cent in freight revenues from November, 1939, to March, 1940. It seems probable, however, that the primary cause of the low April passenger revenues was the reduction in fares in the Eastern district required by the Interstate Commerce Commission, the commission having, on Feb. 15, 1940, denied the railroads' application to extend the 2½-cent rate then in effect, so that on March 25 the maximum coach fare in the Eastern district dropped to 2 cents per mile. It is possible, of course, that the reduction will eventually stimulate enough passenger traffic to offset this 20 per cent reduction in maximum coach fares. Thus far, however, there is nothing to indicate that it will. According to preliminary reports to the Association of American Railroads from eighty-eight Class I roads, representing 82 per cent of total operating revenues, passenger revenues in May were 7.2 per cent lower than in May, 1939. On that basis, total passenger revenues for all Class I roads, seasonally adjusted showed a further decline from April to May, to the lowest level since November, 1935.

On an absolute dollar-and-cents basis, rather than on a percentage basis, the recent decline in total passenger revenues is not so alarming, because of the small percentage which passenger revenues now normally are of total operating revenues. Since 1936, for example, monthly passenger revenues, seasonally adjusted, have not been less than \$1,000,000 nor more than \$1,400,000 per day; whereas monthly freight revenues have varied from \$7,155,000 to \$10,805,000 per day.

Exports

Continued from Page 4

ing her present conquests and able, with Italy, to dictate to the rest of Europe, other than the British Isles and Russia; and if the two victorious powers choose to make trade with the Europe they dominate conditional upon political and economic terms that are unacceptable to the United States.

Exports to Canada increased to a new high mark for recent years, presumably reflecting war trade for the most part. Shipments to Asia also gained, despite a further decline for Japan; British India, China and the Philippines took more of our products. Exports to Latin America maintained, on the whole, the high levels that have prevailed since the war shut off many of the accustomed European sources of supply of this area. With the increasing closing to their own goods of the usual European markets, it is highly probable that these countries will be confronted with growing foreign exchange difficul-

ties, and it seems therefore rather unlikely that their present volume of purchases from the United States can be maintained.

Among individual commodities, one may note the continued high level of exports in May of industrial machinery, industrial chemicals, iron and steel products, and aluminum, and the generally downward trend in sales abroad of American motor cars and trucks. Exports of copper, after running at high levels during the Winter, are currently below the 1939 level; the May rise was largely due to increased purchases from Italy prior to her declaration of war. Petroleum exports have also continued to lag, while further losses may be noted in farm products generally. On a seasonally adjusted basis, the value of foodstuff exports is down to the lowest levels of the great depression, new losses being most conspicuous in fruits, lard and meat products.

Abstracts

Continued from Page 6

the public attitudes, policies and practices." Concrete suggestions by Mr. Bernays: (1) That to some industrial committee should be entrusted the study of the problems and the suggested solutions to find areas of agreement"; (2) A program of broad principles and practices should be devised; (3) Competent technicians should make a study of the public mind to discover its attitudes and principles. "Public relations are simply relations with the public. Good public relations are good relations with the public."

South American Banking (The Banker, London, May, 1940). "South American oversea trade is essentially reciprocal." This is particularly true of Brazil and Chile. Both have been hard hit by the disappearance of the German market for coffee, nitrate and agricultural products.

An interesting development of Pan-Americanism is the proposed creation of an Inter-American Bank with a capital of \$100,000,000, though even greater interest attaches to the successful operations of central banks in the various South American countries. They now operate to level out currency fluctuations between times of crisis and prosperity and vice versa. By preserving a sound credit basis these banks have been able to face the present international crisis. This is particularly true in Argentina where the government decided to buy any amount of its own bonds offered for sale.

Argentina's imports are costing about 36 per cent more than before the war, but the flexibility of Argentina's banking and monetary situation has enabled the country to face the outlook with comparative equanimity. The poor crops of fine cereals are being compensated by the promise of a good maize crop with higher prices.

Peru's central bank's reserve position is strong with the exchange value of her currency steadily improving. There has been no definite news regarding the creation of a central bank in Brazil. The bulk of Brazilian imports formerly supplied by Germany continue to be furnished mainly by the United States.

The Trust Indenture Act of 1939, by Stanley E. Howard (The Journal of Land and Public Utility Economics, May, 1940). "The Trust Indenture Act of 1939 is in the form of an amendment, by addition, to the Securities Act of 1933." It establishes standards and imposes requirements to be met in the drafting of certain kinds of securities generally issued under or based upon indentures. It subjects to statutory tests and administrative regulations some of the basic terms of investment contracts, especially those relating to the status,

powers and responsibilities of indenture trustees. All indentures not exempted from the provisions of the new act must be "qualified" and satisfy the SEC as to terms.

The act establishes standards relating to the eligibility of persons to serve as indenture trustees, and defines conditions which may disqualify such persons. The intent of the law is that the indenture shall be free of relations involving conflicts of interest that have in them the threat of danger to those who become the holders of the indenture securities. The law seeks to guard against hazards that may be involved for long-term creditors who hold this type of security. It defines the duties and responsibilities of the trustee.

Recent Books

Continued from Page 7

what limits the value of the final discussion, but the book is nevertheless highly valuable for its survey of events, as well as for the documents included in the appendix. (Institute of Pacific Relations, 129 East Fifty-second Street, New York, \$1.25.)

TAX YIELDS: 1939

This volume includes detailed classified tax yield data for the Federal Government for ten years (1930-1939), the States for four years (1936-1939) and the local governments for one year, the latter including data for cities of 300,000 population or over, and State totals of tax collections of counties and various categories of smaller units, cross-classified by types of taxes. According to the publishers, it is "the most complete compilation and analysis of tax collection data yet made available in one volume." (Tax Policy League, 907 Broadway, New York, \$2.50.)

OPERATING RESULTS OF DEPARTMENT AND SPECIALTY STORES IN 1939

By Malcolm P. McNair

An increase of 5½ per cent in sales in 1939 as compared with 1938 made possible a 45 per cent gain in the profits of department stores, according to this report. The improved showing is ascribed by Professor McNair primarily to a drop of approximately 1 per cent of sales in the expense rate, which in turn is largely the consequence of the rise in sales. The author points out that "profit changes over the past three years testify in a striking manner to the sensitive relationship which exists in the department-store business between earnings and changes in net sales volume."

Two items of expense which did not share in the general tendency for expense items as a percentage of sales to fall were taxes and the combination of supplies and services purchased.

Although department stores of all sizes participated in the better showing, the most improvement, percentage-wise, was shown by the small stores. On a comparative basis within the year 1939, however, large stores turned in a better profit performance than smaller stores.

The higher expense rates associated with the larger department stores are in substantial measure attributable to the size-of-city factor rather than to the volume-of-sales factor. The typical total expense rate, for example, of the stores with annual sales of \$10,000,000-\$20,000,000 located in cities of 250,000-500,000 was nearly 4 per cent of sales lower than the typical expense rate of stores of similar size located in cities of 1,000,000 or more. The highest net gain percentage was recorded for the ten firms with sales of \$2,000,000-\$4,000,000 which were located in cities of 50,000-100,000 population.

Specialty stores shared in the improve-

ment in sales volume in 1939, but their earnings were generally inferior to those of department stores of the same size groupings. For specialty stores the cost of doing business required the same percentage of sales as in the previous year. (Harvard University Graduate School of Business Administration, Soldiers Field, Boston, \$1.)

GARTLEY'S STOCK MARKET EXPERIENCE TABLES

By H. M. Gartley

This volume: (1) catalogues those particular stocks which year in and year out are the best media for speculation; (2) sets up detour signs around those stocks which are traditionally poor speculative media and in which the speculator is almost certain to be disappointingly "hung up"; (3) catalogues the market habits of virtually all the important stocks listed on the New York Stock Exchange. In order to accomplish these results the author and his staff performed thousands of computations in order to discover the average velocity of each stock, and then to combine these figures in order to discover the average velocity of each important group of stocks. Velocity, the author finds, is associated with market popularity (activity); but this does not mean that all inactive stocks are of low velocity. A sound speculative approach, as pointed out independently by Robinson and by Livermore, is one in which ordinary gamblers' risks are taken into consideration, and an appraisal of gamblers' risks can perhaps be made with greater accuracy if the speculator knows in advance the typical velocity and activity rating of any stock he is considering as a speculative vehicle. In this book every listed stock of any importance is thus rated. To make money, however, the speculator must be right on the market. If, by the use of velocity ratings, the speculator can make money twice as fast when he is right, he can also of course lose money twice as fast when he is wrong. (H. M. Garley, Inc., 70 William St., New York, \$4.)

GIDDY MINDS AND FOREIGN QUARRELS

By Charles A. Beard

One good test of any book published these days is a perusal of it a few months after it is written. This book was published Sept. 27 and it is of fresh interest today, especially in view of the nomination of Henry L. Stimson for the post of Secretary of War, which makes timely the following observation by Professor Beard:

Now President Roosevelt's foreign policy is clear as daylight. He proposes to collaborate actively with Great Britain and France in their everlasting wrangle with Germany, Italy and Japan. He wants to bring from Congress the power to throw the whole weight of the United States on the side of Great Britain in negotiations, and in war if they manage to bungle the game. That using measures short of war would, it is highly probable, lead the United States into full war must be evident to all who take thought about such tactics.

From the point of view of the interest of the United States as a continental nation in this hemisphere, the Roosevelt policy is, in my opinion, quixotic and dangerous. It is quixotic for the reason that it is not based upon a realistic comprehension of the long-time history of Europe and Asia and of the limited power which the United States has over the underlying economies of those two continents. It assumes that the United States can in fact bring those continents into a kind of stable equilibrium, assure them the materials of a peaceful economic life, and close their history in a grand conference of the powers—perhaps as successfully as Locarno. It assumes that somebody in the White House or State Department can calculate the consequences likely to come out of the explosive forces which are hidden in the civilizations of those immense areas. (Macmillan, 50 cents.)

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OPEN MARKET FOR UNLISTED SECURITIES

These quotations are for bankers, brokers and dealers and are accepted for publication as actual markets. The number at the left of a quotation identifies it with the name of the firm in the index making the market. Prices are as of close of business on Monday.

Industrial Stocks

Key.	Bid Offer.	Key.	Bid Offer.
Alabama Mills	1% 2/3	Great Lakes S S.	39% 12/4
American Arch.	26% 30%	Great Northern Paper	38% 21/4
Am Cable & Radio	1/4 2%	Harrisburg Steel	10% 12
Am Cyanimid 5% ev pf	11/4 12%	Hearst Consol Publ pf	4% 4%
1st series	11/4 12%	Interstate Bak	1% 1%
Am Cyanimid 5% ev pf	11/4 12%	Interstate Bak of	20% 23%
Am Dist 5% cum pf	2% 2%	Jones & Laughlin	1/2 1%
Amer Enka	44% 44%	King Seelye	7/8 8%
Art & Equipment	18% 20%	Landers, Frary & Clark	24 26
American Maise	18	Lawrence Portland Cem't	9% 12
American Mfg 5% cum pf	65 72	Long Bell Lum conv pf	45% 52
Argo Oil	3% 4%	Mallory (P R) & Co.	1% 12%
Arlington Mills	23% 26%	Markel Rockwell	46% 48%
Armstrong Rubber	39% 43%	Merck & Co	60 63
Art Metal Construction	13	Merck & Co 6% pf	114
Arrow Co.	3% 3%	Muskegon Plastn Ring	12% 14%
Botany Worsted M A	2 3	National Casket	8 13
Botany Worsted 5% cum pf	3% 4%	National Paper & Type	2% 4
Brown & Sharpe Mfg Co	161 165%	Nati Pap & Type 5% pf	20% 24%
Buckeye Steel Cast	15% 17%	Nati Paper & Type 5% pf	20% 24%
Chilton Co.	2% 3%	Nunn-Bush Shoe	9% 11
City & Suburban Homes	5% 6%	Nunn-Bush Sh 5% pf ww 90	95
Coca-Cola Bottling N Y	60	Ohio Match	8% 10%
Colonial Milk Ind	7	Pan American Match	12% 13%
Compo Bat & S cum pf	17 20	Pepsi-Cola Co	240 258
Compo Shoe Mach conv	47% 50	Petrof Heat & Power	1% 2%
Cone Aircraft \$3 ev pf	54% 57	Pilgrim Expr	1% 2%
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		Stanley Works	42% 44%
		Stromberg Carlson Tel.	31 4%
		Sylvania Ind	17% 19%
		Tampax	3% 5%
		Taylor Wharton In & Stl	2% 2%
		Tenn Products	2% 2%
		Thompson Aut Arms Corp	11/4 12%
		Time Inc.	126 130
		Tokheim O Tank & Pump	11% 12%
		Triumph Explosives	3% 4%
		United Artists Theatre	1% 1%
		United Piece Dye Works	4% 5%
		United Piece Dye Wks pf	1% 2%
		Veeder Root	57% 59%
		Welch Grape Juice pf	19 21
		Welch Grape Juice pf	108% 110%
		West Michigan Steel	8% 9%
		Western Dairies vtc	2 2%
		Western Dairies cum pf	30% 32%
		Wickwire Spencer Stl.	4% 5%
		Willcox & Gibbs	7 8%
		Worcester Salt	41% 42%
		York Ice Machinery	1% 2%
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National Shawmut	22 24
Second National	135 145
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U Trust	9 11
U S Trust pf	13 15
Webster & Atlass	41 46

Chicago:	175 183
Am National Bank Tr.	75 76%
Cont'l III Bk & Tr.	200
First National	283 295
Harris Trust & Sav.	460 480

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New Haven:	38 42
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Bronx Trust	16 20
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Chemical Bank & Trust	42% 44%
Clinton Trust	164 171
Continental National	114 124%
Corn Exchange Bk Tr	46 47
Empire Trust Co	8% 9%
First National	1625 1665
Fifth Avenue National	600 640
Fulton Trust	190 210
Guaranty Trust	200 274
Kidder Peabody	10 11
Kings County Trust	1510 1560
Lawyers Trust	26% 29%
Manufacturers	32% 34%
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National Bronx	38 43
National City	24 25%
National Safety	11 13
New York Trust	98% 101%
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